



Town of Westwood, Massachusetts

Comprehensive Annual Financial Report

Year Ended June 30, 2013



Westwood's new library opened in July, 2013.

Cover and other library photos done by Diane Parazin.

**The Town of
Westwood, Massachusetts**



**Comprehensive
Annual Financial Report**

**For the Fiscal Year
July 1, 2012 through June 30, 2013**

Board of Selectmen

**Philip N. Shapiro, Chairman
Patrick J. Ahearn
Nancy C. Hyde**

**Prepared by:
Pamela Dukeman, Finance Director**

Town of Westwood, Massachusetts
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2013

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Introductory Section

Transmittal Letter

A Few Words About Westwood

Directory of Officials

Organization Chart

Certificate of Achievement



*Finance Director Pamela Dukeman and Finance Team Receiving
FY12 CAFR Award from Board of Selectmen.*

Pictured from left to right, Town Administrator Michael Jaillet, Assistant Treasurer Pat Conley, Selectman Patrick Ahearn, Finance Director Pam Dukeman, Selectmen Chairman Philip Shapiro, Town Accountant Marie O'Leary, Finance and Warrant Commission Administrator Sheila Nee, Selectman Nancy Hyde.



Town of Westwood
Commonwealth of Massachusetts

Office of the Finance Director

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Letter of Transmittal

November 5, 2013

To the Honorable Board of Selectmen and Citizens of the Town of Westwood:

State law requires the Town of Westwood to publish at the close of each fiscal year a complete set of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) that are audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, I hereby issue the Comprehensive Annual Financial Report (CAFR) of the Town of Westwood, Massachusetts, for the fiscal year ending June 30, 2013 for your review.

The report is designed to be used by the elected and appointed officials of the Town and others who are concerned with its management and progress such as bond analysts, banking institutions and credit raters as well as residents and taxpayers of Westwood.

This report consists of management's representations concerning the finances of the Town of Westwood. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Management of the Town is responsible for establishing and maintaining an internal control structure designed to ensure the assets of the Town are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The Finance Director is responsible for evaluating the adequacy and effectiveness of the internal control structure and implementing improvements.

Because the cost of internal controls should not outweigh their benefits, the Town of Westwood's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement.

The Town of Westwood's financial statements have been audited by Powers & Sullivan, LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Westwood for the fiscal year ended June 30, 2013, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the Town of Westwood's financial statements for the fiscal year ended June 30, 2013, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the Town of Westwood was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the Town of Westwood's separately issued Single Audit Report.

Generally accepted accounting principles (GAAP) require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of an MD&A. This letter of transmittal is designed to complement the MD&A where the financial analysis is presented. The Town's MD&A can be found immediately following the independent auditor's report from Powers & Sullivan, LLC.

Profile of the Town

Westwood was incorporated as a Town in 1897. With a population of approximately 15,000, Westwood is located in eastern Massachusetts, 13 miles south of Boston, with a land area of 11 square miles. Situated at the junction of Routes 95/128 and 93, Westwood provides an excellent location for its residents and its businesses. The Town offers the further convenience of two commuter rail lines, full MBTA bus service on some major routes, and Amtrak high speed rail access to Boston and New York.

Westwood is known throughout the state for its high quality school system and beautiful open space. Westwood students consistently score in the top percentiles on national tests, and the overwhelming majority of students graduating from the High School go on to higher education. Westwood High School was named a 2012 National Blue Ribbon School with a designation of Extremely High Performance by the U. S. Department of Education.

Westwood is recognized throughout the state for its attractive open space and rambling New England stone walls.

The Town offers a full range of services including police and fire protection, education, maintenance of streets and infrastructure, solid waste collection and disposal, health and human services, cultural and recreational, administrative and financial services.

The Town operates under a Board of Selectmen/Open Town Meeting/Town Administrator form of government. The elected, three-member Board of Selectmen makes policy decisions. The Town Administrator is responsible for carrying out the policies and direction of the Board of Selectmen and for managing the day-to-day operations of the Town.

An elected, five-member School Committee appoints a School Superintendent who administers the public school system of the Town. School Committee members, like the Board of Selectmen, are elected at-large to three-year staggered terms.

The Finance Director is responsible for preparing and presenting the General Fund budget to the Board of Selectmen. The Selectmen review all requests and Town wide issues and present a budget to Town Meeting for approval. A fifteen member Finance and Warrant Commission reviews the budget and makes recommendations to Town Meeting.

The level of budgetary control is established by Town Meeting and this approval defines the level at which expenditures may not exceed appropriations. This level is typically at the individual department salary and expense level. The Town Accountant is responsible for ensuring all payroll and invoices are within the budgetary control level before authorizing payment. Additional appropriations may be approved at subsequent Town Meetings. The Finance and Warrant Commission, upon request by the Board of Selectmen, may approve during

the year a transfer from a reserve fund established at Town Meeting. These controls ensure compliance with the budget approved by Town Meeting.

Information Useful in Assessing the Town's Economic Condition

The Town of Westwood continues to reflect a strengthening local economic condition since the recent fiscal crisis. The per capita income of \$72,467 continues to rise and outpace the state average of \$34,041. Westwood also has an extremely low comparable unemployment rate of 4.1% compared with the state rate of 6.9%.

Westwood is a very desirable community and this is reflected in the strong residential sales market, which has risen above the pre-fiscal crisis levels. The Town offers a unique mix of proximity to Boston and major highways and transportation, while maintaining a desirable residential community. The Town offers a broad range of high quality services, outstanding public education and an attractive quality of life.

Westwood is currently poised for a major, positive change in commercial property value. In order to improve commercial development, the Town has taken steps over the last several years to enhance the desirability of its major commercial areas. The commercial area is situated in a far corner of the Town's geographical area, bordering major highways and a commuter rail system with connections to Boston as well as Amtrak and Acela service to Providence, Rhode Island, New York City and Washington DC.

Since the passage of these steps, including zoning and permitting changes, a major developer has assembled 17 parcels, totaling 137 acres. The master plan for the area contemplates over two million square feet of new mixed use development including residential, commercial, hotel, office and retail components. The developer demolished most of the existing structures and began the installation of all utilities and layouts of the new road systems. All local and state approvals were given for the first phase of the project which is scheduled to begin construction in the current fiscal year. The Town expects that the resulting economic benefits in creating employment opportunities for the Commonwealth and the region and significant new growth revenue will significantly outweigh the additional service costs. For example, the developer has since obtained a \$55 million commitment from the Commonwealth to complete these infrastructure improvements. The overall goal is to achieve a redevelopment project that mitigates any transportation and environmental concerns, provides for an enhanced and stable commercial tax base, and maintains and enhances the quality of the community.

The zoning encourages residential units strategically located within walking distance of the train station. The Route 128/University Park train station, which includes a 2,700 vehicle parking center, provides MBTA commuter service to the Back Bay and South Station in Downtown Boston. The station also serves as the suburban stop for the Acela high speed rail train between Boston, New York and Washington, D.C. With current and forecasted trends in the price of gasoline, these units with access to commuter service, employment opportunities and shopping and leisure activities, are expected to be extremely desirable.

The 2010 Annual Town Meeting unanimously passed a zoning bylaw amendment that created an overlay district which provided significantly more flexibility to the Planning Board in considering and approving development proposals in five of Westwood's major commercial areas. A proposed 66,000 square foot medical office development was just approved and is being constructed taking advantage of this more flexible approach.

The growth of the Town's main source of revenues, property taxes, is capped by Proposition 2 ½ and can only be overridden by a majority vote at a Town election. While tax revenue increases have been limited in recent years, other revenue sources, such as State aid and local receipts have stabilized. In addition, the Town has made significant efforts with fixed costs budgets, resulting in much improved budgets in health insurance and benefit accounts. On the Town's operating side, the FY13 budgets and service level were maintained through a modest 3% increase in the operating budget. This allowed the Town to continue to provide high quality services while minimizing the impact on the property tax burden.

In 2011 the municipal and School Administrations reached a joint agreement with all of their respective employees and retirees to transition health care coverage to a Rate Saver Plan requiring higher co-pays in exchange for lower premiums, which saved the Town and employees over a million dollars the first year and over two million dollars this year. Savings from the changes in health insurance plans has allowed the Town to begin to address the OPEB liability.

The Town continues to manage its financial affairs in a prudent manner, primarily through considerable long-term planning and strong financial policies. It has maintained a high bond rating even with the overall unsettled economy. It has been able to do so by incorporating long range planning tools such as a five-year Capital Improvement Program; maintaining reserve balances despite tight budgets; investing in technology to ensure efficient operations; and maintaining an aggressive pay as you go financing strategy for capital improvements. The Town's long-term policies will preserve its strong financial position for the foreseeable future.

In FY13, the Town continued to demonstrate its commitment to the Financial Policy of maintaining and building its reserve accounts. Despite a tight budget process the Town expanded its continued commitment to build the Stabilization account to the policy goal level, which is 4% of general fund net operating revenues. The FY13 budget appropriated \$794,000 to the Stabilization Fund and \$500,000 to the OPEB Liability Account. The Town plans to continue to fund the reserves more in future years.

The Town has remained dedicated to an aggressive retirement of debt policy. Whenever possible, debt is issued for shorter time periods than allowed, typically ten years. The Town has aggressively pursued and received state funding for all school construction projects. Since FY08, the state committed to stabilized annual payments of approximately \$3M which are directly applied to the school relevant debt, thereby limiting the burden on the taxpayers. Two large school bonds were completed in FY12. The Town monitors and schedules retirement and issuance of debt to ensure that debt service does not exceed 10% of the operating budget to ensure availability of resources for ongoing operations.

The Town has also enhanced its revenue flexibility by establishing an enterprise fund for sewer operations. This has allowed the Town to shift one hundred percent of the operating cost and capital improvements to the users of sewer services so that no tax support goes towards providing these services. All sewer related debt is related to the sewer infrastructure and is funded through sewer user fees. By doing so the Town is able to provide the maximum tax dollars available to all other services.

In FY10, the Town approved the funding, through a debt service override of Proposition 2 1/2, for the Town's share of the cost of a new 30,000 square foot library. The Town's share of the cost is 70% with the Commonwealth funding the remaining 30% through a matching grant. Construction was completed in June 2013 and is a significant public investment not only in library services, but in the community's central business district, as the new library is centrally located. The Town issued a \$9.3 million bond for the library with very favorable rates in the spring of 2011. The new library opened to the public in the summer of 2013.



Major initiatives for FY14 will include inspecting and facilitating the construction of the first phase of the University Station project, ensuring that this exciting new development proceeds appropriately and impacts the community in a positive manner. Particular focus will be given to ensuring that new revenue from this project strengthens the reserve and capital accounts according to the Town's Financial Policies as well as enhancing delivery of services.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Westwood for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2012. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of a state and local government financial report. Westwood has received this award annually since FY97.



In order to be awarded the Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA.

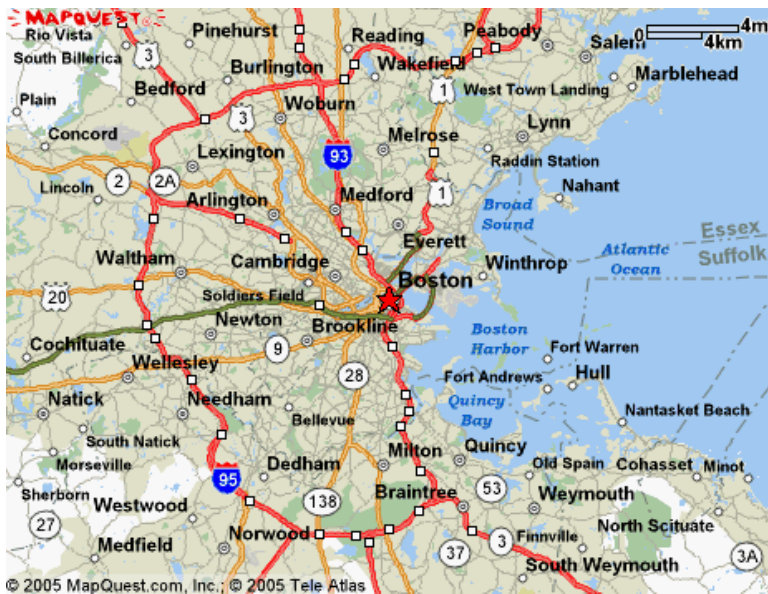
This report represents significant effort by the entire financial team of the Town, whose dedicated efforts have significantly improved the financial operations of the Town. I particularly would like to acknowledge the efforts of Sheila Nee, whose assistance was invaluable in the preparation of this Comprehensive Annual Financial Report. I would also like to thank the Town's management team for their recognition of the importance of the CAFR and the encouragement given to the financial departments.

Respectfully submitted,

A handwritten signature in cursive script that reads "Pamela Dukeman".

Pamela Dukeman
Finance Director

A Few Words About Westwood....



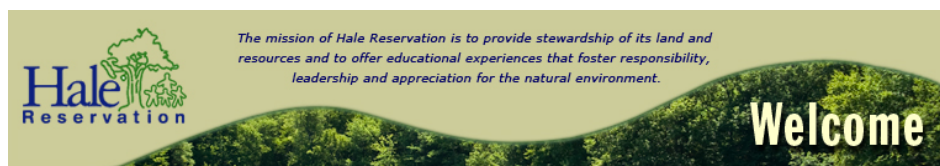
Westwood was incorporated as a town in 1897 and has a current population of approximately 14,618. The town is located in eastern Massachusetts, 13 miles south of its capital city of Boston. One major attraction of Westwood is its location in relation to Boston and major roadways. The commuter rail has four convenient stops within five minutes of town, one of which doubles as an Amtrak station. The Amtrak station provides connections originating in Boston and continuing to Providence, Rhode Island and New York City.

Westwood is recognized for the quality of its schools. Students consistently score in the top percentile on national tests, and the overwhelming majority of students graduating from the High School go on to higher education.

Westwood operates under a Board of Selectmen/Open Town Meeting/Town Administrator form of government. The elected, three-member Board of Selectmen makes policy decisions. The Town Administrator is responsible for carrying out the policies and direction of the Board of Selectmen and for managing the day-to-day operations of the town. An elected, five-member School Committee appoints a School Superintendent who administers the town's public school system. School Committee members, like the Board of Selectmen, are elected at-large to three-year staggered terms.

The Town maintains many recreational areas and facilities, including numerous conservation areas, playgrounds, ball fields and an indoor pool facility. The Town has two libraries, a senior center and numerous community-sponsored events for residents.

From a natural perspective, the Town works very hard to conserve land. It is the hope of preservation workers that Westwood can create its own emerald necklace with its conservation land and walking paths. Hale



Reservation is one of the Town's hidden gems. With 1,100 acres of wooded area and a large pond, Hale is an active part of the community. During the summer, Hale's membership beach attracts over 500 families.

The formation of Westwood has been influenced by a number of factors. Character, community, and location are just three of its most admirable traits.

In [March 2012, Boston Magazine](#) selected Westwood as one of the best places to live in Massachusetts.



2012 National Blue Ribbon
School of Excellence

WESTWOOD HIGH SCHOOL NAMED 2012 NATIONAL BLUE RIBBON HIGH SCHOOL

Westwood High School was named a 2012 National Blue Ribbon High School by U.S. Secretary of Education Arne Duncan on Friday, September 7, 2012.

The school is one of just 38 high schools nationwide to be identified as "Exemplary High Performing," a designation reserved for schools that are among their state's highest performing schools, as measured by state assessments or nationally-normed tests. As the name suggests, earning Blue Ribbon status is the highest honor a United States school can receive from the U.S. Department of Education.

"The entire Westwood High School community is thrilled about earning Blue Ribbon status," said Sean Bevan, Principal of Westwood High School. "It's an extraordinary achievement that speaks to our students' dedication, our faculty and staff's expertise and commitment to their work, and our families' support of education. Our students, along with their teachers, are committed to preparing for future success in college and careers; this award is a powerful reminder of the importance of that hard work."

Westwood Superintendent John J. Antonucci commented that while the Blue Ribbon designation is a reflection of a high-quality school system, it is also a reflection of a high-quality community. "The residents of Westwood share our commitment to excellence and have a long tradition of supporting their public schools. We value and appreciate that support and work hard to ensure that all Westwood students receive a first-class educational experience."

Principal Sean Bevan, along with a teacher from the WHS faculty, represented the students and staff at a recognition ceremony on November 12-13 in Washington, D.C. He said, "The event will be a proud moment to celebrate a school culture and climate that strives to nurture and support the success of all of its students. I am honored to accept the award on behalf of our students and staff."

According to the Department of Education, "A total of 417 schools nationwide may be nominated [each year], with allocations determined by the numbers of K-12 students and schools in each jurisdiction." This year, 219 public and 50 private schools from all grade levels will be awarded National Blue Ribbon status. Westwood High School is one of 47 public and private high schools earning the designation: WHS and 38 others are designated as "Exemplary High Performing", while nine others are recognized as "Exemplary Improving".



The mission of Hale Reservation is to provide stewardship of its land and resources and to offer educational experiences that foster responsibility, leadership and appreciation for the natural environment.

Welcome

Hale Reservation is a private, non-profit educational organization that manages over 1,100 acres of woodlands, including four ponds and over twenty miles of trails in Westwood and Dover, Massachusetts. Hale is most widely recognized for its summer day camp programs which annually serve over 4,400 children from 70 communities in the Greater Boston area. Hale Reservation also offers a family program, outdoor and environmental education experiences for children and adults, and open space for casual recreational use.

The essence of Hale Reservation can be found in Robert Sever Hale's original desires for the organization he began in 1918. The current programs and land management practices are the legacy of his desire "to provide education which will develop intelligent, capable and responsible citizens" and to use the land "so long as it is charitable and benevolent in nature." The goal of today's programs is to develop intelligent leaders and environmentally educated citizens. We believe that the diversity of the natural environment must be reflected back in the diversity of the people who experience our programs and opportunities for people of any race, background, religion or economic status.

Hale operates five core programs:

[Hale Day Camp](#)



[Stewardship](#) and [Public Access](#)

[Family Membership](#)
[Agency Camps](#)
[Education, Adventure](#)
and [Outings](#)



**Town of Westwood,
Massachusetts**

Principal Officials

Board of Selectmen

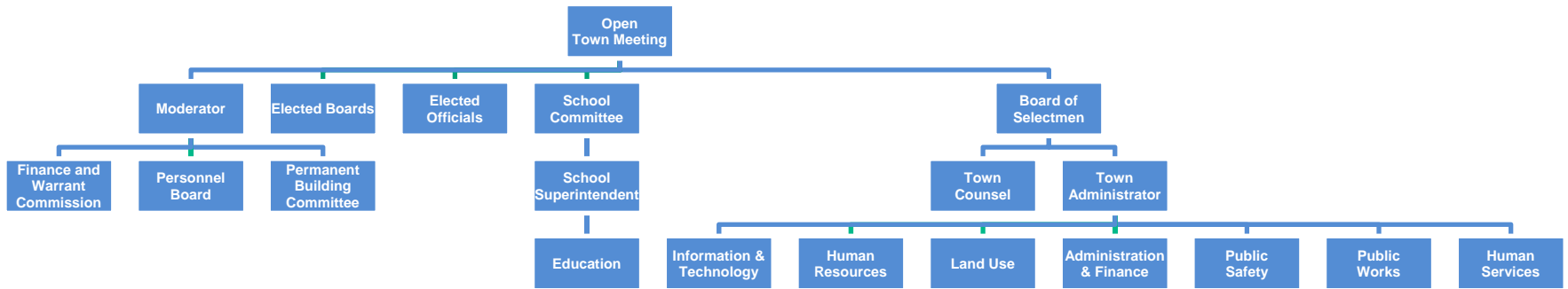
Philip N. Shapiro, Chairman
Patrick J. Ahearn
Nancy C. Hyde

Town Administrator – Michael Jaillet
Finance Director – Pamela Dukeman
School Superintendent – John Antonucci
Town Treasurer – James Gavin
Police Chief – Jeffrey Silva
Fire Chief – William Scoble

Town of Westwood, Massachusetts
Total Budget Salaries of Principal Officials
June 30, 2013

Position	Salary
School Superintendent	\$180,558
School Director of Business and Finance	\$123,600
Town Administrator	\$147,498
Fire Chief	\$145,283
Police Chief	\$134,099
Department of Public Works Director	\$114,686
Finance Director	\$112,413
Library Director	\$ 96,855
Town Counsel	\$ 91,088
Director of Information Technology	\$ 93,167
Town Accountant	\$ 86,189
Health Director	\$ 82,056
Council on Aging Director	\$ 79,207
Recreation Director	\$ 78,682
Building Commissioner	\$ 78,047
Assistant Treasurer	\$ 75,640
Youth Director	\$ 66,393
Town Clerk (Elected)	\$ 65,964
Tax Collector (Elected)	\$ 4,000
Treasurer (Elected)	\$ 4,000
Board of Selectmen (Elected)	\$ 2,000
Board of Assessors (Elected)	\$ 1,800

The Town of Westwood



Elected Boards

- Board of Selectmen
- Regional Vocational School Representative
- Housing Authority
- Library Trustees
- Planning Board
- Board of Assessors
- Sewer Commissioners
- School Committee

Elected Officials

- Moderator
- Town Clerk
- Town Collector
- Town Treasurer



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Town of Westwood
Massachusetts**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO

Financial Section

Independent Auditor's Report

Management's Discussion and Analysis

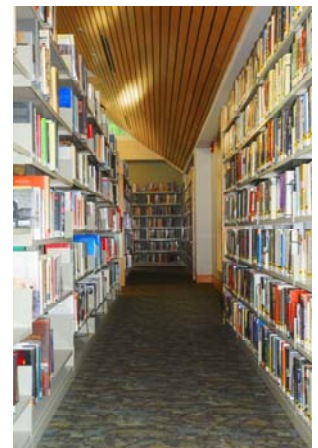
Basic Financial Statements

General Fund Budgetary Comparison Schedule, Retirement System Schedules, and other Postemployment Benefit Schedules

Combining and Individual Fund Financial Statements and Schedules

In the spring of 2010, residents approved borrowing \$9.3M for a new library project. In addition, the Town was granted approximately \$4M in Massachusetts Library and Green Incentive grants. Groundbreaking occurred on April 7, 2011.

The new 32,000 square foot library opened on July 1, 2013 to the delight of the community. The building boasts two floors along with over 30 computers and 80,000 books. It offers patrons an entire children's wing, a reading room just for teens, an art gallery and plenty of space for conferences and meetings.





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Independent Auditor's Report

To the Honorable Board of Selectmen
Town of Westwood, Massachusetts

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Westwood, Massachusetts as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Westwood, Massachusetts, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Westwood, Massachusetts' basic financial statements. The introductory section, combining and individual fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 5, 2013, on our consideration of the Town of Westwood, Massachusetts' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Westwood, Massachusetts' internal control over financial reporting and compliance.

Powers & Sullivan LLC

November 5, 2013

Management's Discussion and Analysis

As management of the Town of Westwood, we offer readers of these financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2013. We encourage readers to consider the information presented in this report in conjunction with additional information that we have furnished in our letter of transmittal.

The Governmental Accounting Standards Board (GASB) is the authoritative standard setting body that provides guidance on how to prepare financial statements in conformity with generally accepted accounting principles (GAAP). Users of these financial statements (such as investors and rating agencies) rely on the GASB to establish consistent reporting standards for all governments in the United States. This consistent application is the only way users (including citizens, the media, legislators and others) can assess the financial condition of one government compared to others.

Governments must adhere to GASB pronouncements in order to issue their financial statements in conformity with GAAP. The users of financial statements also rely on the independent auditors' opinion. If the Town of Westwood's financial statements have significant departures from GAAP the independent auditors may issue a qualified opinion or a disclaimer (where no opinion is given). These types of opinions may have an adverse effect on the Town's bond rating and our ability to borrow money at favorable interest rates. The Town of Westwood has enjoyed an unmodified opinion on its financial statements since the fiscal year ended June 30, 1984.

Financial Highlights

- The governmental assets of the Town of Westwood exceeded its liabilities at the close of the most recent fiscal year by \$98.1 million (net position).
- At the close of the current fiscal year, the Town of Westwood's general fund reported an ending fund balance of \$9.6 million, an increase of \$1.3 million in comparison with the prior year. Total fund balance represents 13% of total general fund expenditures. Approximately \$7.3 million of this total amount is available for appropriation at the government's discretion, \$1.2 million is committed for capital articles approved by Town Meeting and \$1.1 million is assigned for encumbrances carried forward to the subsequent fiscal year.
- The Town of Westwood's total governmental debt increased by \$895 thousand during the current fiscal year. The Town issued \$4.6 million for various roadway, equipment and building improvement projects and paid \$3.7 million in principal payments.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town of Westwood's basic financial statements. The Town of Westwood's basic financial statements are comprised of three components: 1) government-wide financial statements 2) fund financial statements, and 3) notes to the financial statements. The government-wide financial statements provide both long-term and short-term information about the Town as a whole. The fund financial statements focus on the individual components of the Town government, reporting the Towns' operations in more detail than the government-wide statements. Both presentations (government-wide and fund) allow the user to address relevant questions, broaden the basis of comparison and enhance the Town's accountability. An additional part of the basic financial statements are the notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the Town of Westwood's finances, in a manner similar to private-sector business.

The statement of net position presents information on all of the Town of Westwood's assets and liabilities, and deferred inflows/outflows of resources, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town of Westwood is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities include general government, public safety, education, public works, human services, culture and recreation and interest. The business-type activities include the activities of the sewer enterprise fund.

Fund financial statements. A fund is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Westwood, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town of Westwood can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows, and balances of spendable resources. Such information is useful in assessing the Town of Westwood's near-term financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

In accordance with accounting standards, the Town reports fund balance components as nonspendable, restricted, committed, assigned and unassigned. Additionally, the Town's stabilization fund is reported within the general fund as unassigned.

The Town of Westwood adopts an annual appropriated budget for its general fund. A budgetary comparison schedule is included as required supplementary information for the general fund to demonstrate compliance with this budget.

Proprietary funds. The Town maintains one type of proprietary fund.

Enterprise funds are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town uses an enterprise fund to account for its sewer operations.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Town of Westwood's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town of Westwood, government-wide assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$114.5 million at the close of fiscal year 2013.

Net position of \$108.7 million (95%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that are still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the investment in its capital assets is reported net of its related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town of Westwood's net position \$1.8 million (2%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position \$3.9 million (3%) may be used to meet the government's ongoing obligations to citizens and creditors.

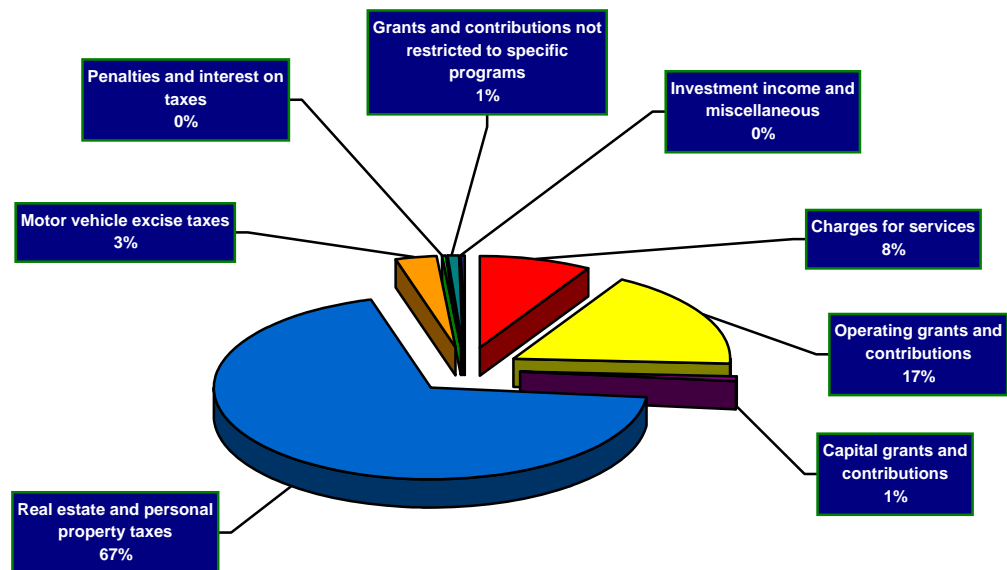
Governmental Activities:	Balance at June 30, 2013	Balance at June 30, 2012
Assets:		
Current assets.....	\$ 27,611,258	\$ 28,427,335
Noncurrent assets (excluding capital).....	11,207,142	10,954,000
Capital assets, not being depreciated.....	5,858,382	14,797,071
Capital assets, net of accumulated depreciation.....	<u>114,387,912</u>	<u>103,673,449</u>
Total assets.....	<u>159,064,694</u>	<u>157,851,855</u>
Liabilities:		
Current liabilities (excluding debt).....	5,573,172	5,316,905
Noncurrent liabilities (excluding debt).....	18,128,398	14,826,299
Current debt.....	3,817,917	3,352,917
Noncurrent debt.....	<u>33,401,249</u>	<u>33,049,166</u>
Total liabilities.....	<u>60,920,736</u>	<u>56,545,287</u>
Net Position:		
Net investment in capital assets.....	96,462,678	99,108,756
Restricted.....	1,806,455	1,878,233
Unrestricted.....	<u>(125,175)</u>	<u>319,579</u>
Total net position.....	<u>\$ 98,143,958</u>	<u>\$ 101,306,568</u>

Governmental activities. The governmental activities net position decreased by approximately \$3.2 million during the current fiscal year. The underlying reason for the continued decrease in net position for the last several years is the adoption of GASB Statement #45 related to other postemployment benefits (OPEB). The increase in the OPEB liability was \$3.3 million this fiscal year which accounted for the entire reduction in net position. The increase in the OPEB liability is also the reason for the increase in noncurrent liabilities (excluding debt).

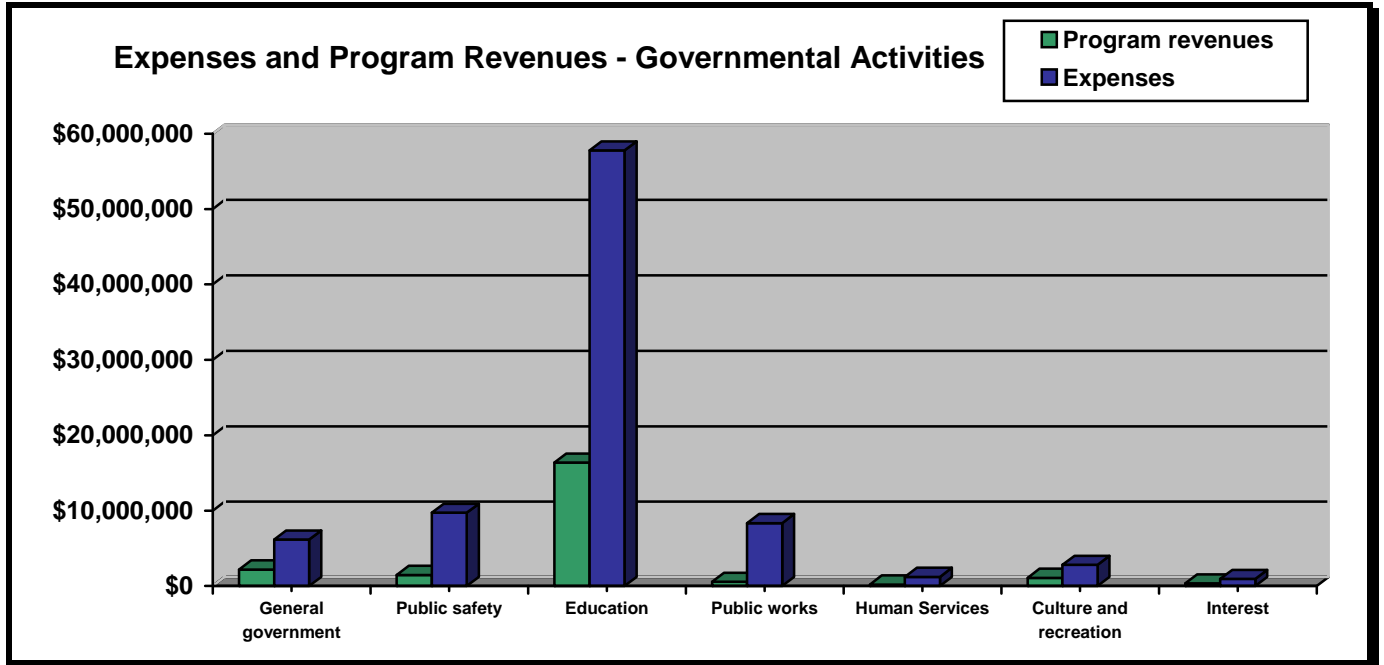
Governmental Activities:	Fiscal Year Ended June 30, 2013	Fiscal Year Ended June 30, 2012
Program revenues:		
Charges for services.....	\$ 7,216,901	\$ 5,535,316
Operating grants and contributions.....	14,617,337	14,155,121
Capital grants and contributions.....	682,003	1,110,679
General revenues:		
Real estate and personal property taxes.....	57,531,776	55,088,302
Motor vehicle excise taxes.....	2,591,759	2,335,495
Penalties and interest on taxes.....	180,465	264,092
Nonrestricted grants and contributions.....	639,972	748,294
Unrestricted investment income.....	45,831	74,274
Gain on sale of capital assets.....	290,000	50,000
Total revenues.....	83,796,044	79,361,573
Expenses:		
General government.....	6,151,299	5,135,899
Public safety.....	9,735,929	9,391,010
Education.....	57,774,167	54,472,071
Public works.....	8,351,807	7,204,025
Human services.....	1,218,894	1,157,238
Culture and recreation.....	2,801,155	2,386,859
Interest.....	1,216,381	1,542,158
Total expenses.....	87,249,632	81,289,260
Excess (Deficiency) before transfers.....	(3,453,588)	(1,927,687)
Transfers.....	290,978	290,978
Change in net position.....	\$ (3,162,610)	\$ (1,636,709)

- Charges for services represent about 8% of governmental activities resources. The Town can exercise more control over this category of revenue than any other. Fees charged for services rendered that are set by the Board of Selectmen are included in this category. Most of these resources apply to public safety and education operations, such as building permits, ambulance revenue, athletic receipts, kindergarten revenue and bus fees.
- Operating grants and contributions account for 17% of the governmental activities resources. Most of these resources apply to education operations.
- Capital grants and contributions account for 1% of the governmental activities resources. When compared to fiscal 2012, revenue decreased 39% due to the library project nearing completion.

FY13 Governmental Revenues



- Property taxes are by far the most significant revenue source for the Town's governmental activities. They comprise 67% of all resources. Other taxes and other revenues comprised a total of 4% of the governmental activities resources. These primarily include excise taxes, nonrestricted grants, and investment earnings.
- Education is by far the largest governmental activity of the Town with 66% of total governmental expenses. Program revenues of \$16.4 million provided direct support to education and \$41.4 million in taxes and other general revenue were needed to cover the remaining fiscal year 2013 operating expenses.
- General government, public safety and public works are significant activities of the Town. Program revenues for general government of \$ 2.2 million, public safety of \$1.5 million and \$553,000 in public works directly supported \$6.2 million, \$9.7 million and \$8.4 million of operating expenses, respectively. Taxes and other general revenue of \$20 million were needed to cover the remaining fiscal year 2013 operating expenses for general government, public safety and public works. Combined, they represent 28% of governmental activity expenses.



Business-type activities. For sewer business-type activities, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$16.3 million at the close of fiscal year 2013. Net investment in capital assets totaled \$12.3 million (75%) while unrestricted net position totaled \$4 million (25%). There was a net decrease of \$597,000 in net position reported in connection with the sewer enterprise. Charges for services decreased from prior year by \$152,000 which was primarily due to decreases in sewer usage. Capital grants experienced a decrease which was due to the Town receiving a one-time MWRA capital grant of \$173,700 toward the Westwood Sewer System Rehabilitation Construction Project during fiscal 2012. The sewer fund also reported an increase in its operating costs as well as an increase in its liability for other postemployment benefits totaling \$46,000, which is a result of reporting a portion of the OPEB liability in accordance with GASB Statement #45.

Business-Type Activities:

	Balance at June 30, 2013	Balance at June 30, 2012
	<u> </u>	<u> </u>
Assets:		
Current assets.....	\$ 4,103,179	\$ 4,597,592
Noncurrent assets (excluding capital).....	248,407	296,350
Capital assets, not being depreciated.....	350,850	350,850
Capital assets, net of accumulated depreciation.....	13,268,797	13,463,973
Total assets.....	<u>17,971,233</u>	<u>18,708,765</u>
Liabilities:		
Current liabilities (excluding debt).....	42,261	144,230
Noncurrent liabilities (excluding debt).....	237,244	190,934
Current debt.....	218,760	132,760
Noncurrent debt.....	1,091,680	1,310,440
Total liabilities.....	<u>1,589,945</u>	<u>1,778,364</u>
Net Position:		
Net investment in capital assets.....	12,309,207	12,371,623
Unrestricted.....	4,072,081	4,558,778
Total net position.....	<u>\$ 16,381,288</u>	<u>\$ 16,930,401</u>

The Town also maintains a stabilization fund, which has been classified within the unassigned general fund balance in the governmental funds financial statements to remain compliant with GASB 54. The stabilization fund has a year-end balance of \$2.5 million which represents 3.4% of general fund expenditures. These funds can be used for general or capital purposes upon Town Meeting approval. Please refer to Note 11 for additional information on the Town's stabilization fund.

The University Station Project fund is used to account for funds received in connection with the University Station Project. At June 30, 2013, the University Station Project fund had a year-end balance of \$348,000. This balance increased by \$291,000 from prior year as the Town recognized \$1.6 million in revenue and recorded \$1.3 million in project expenditures.

The Library Project major fund is used to account for the construction of a new Town library. During fiscal year 2013, the Library Project fund has a year-end balance of \$213,000. This balance decreased by \$3.5 million from the prior year as the Town utilized funds received in prior years for construction costs in fiscal 2013. This fund also recognized \$149,000 in capital grant revenue from a state library grant and recorded \$3.6 million in project expenditures.

General Fund Budgetary Highlights

The final general fund appropriation budget totaled \$72 million, which included \$2.7 million in encumbrances and articles carried over from the prior fiscal year. The final budget also included the use of \$1.5 million in available funds which netted with positive budgetary results for an increase of \$705,000 on a budgetary basis.

General fund revenues came in over budget by \$1.2 million. The majority of this surplus (62%) was in real estate, personal property, and motor vehicle excise taxes.

Actual general fund expenditures and encumbrances are lower than final budget by 2%, with the majority of the variance occurring in employee benefits where expenditures were lower than the final budget by approximately \$479,000. This is partially due to health insurance plan design changes implemented by the Town. Additionally, the reserve fund turned back \$288,000, as reserve funds were not fully required to fund unanticipated events.

The \$1.2 million increase between the original budget and the final amended budget was primarily supplementary appropriations from free cash to fund the Town's stabilization fund and the High School litigation fund and appropriations from the ambulance and sale of lots and graves revolving funds and from additional state aid to fund the fire department budget, the cemetery department, and salary increases. Additionally the Town voted several transfers within budgetary line items during the fiscal year.

Capital Assets and Debt Management

In conjunction with the operating budget, the Town annually prepares a capital budget which includes detailed information concerning those capital requests for the upcoming fiscal year as well as summary information for the following four fiscal years to identify current projections of what level of capital outlay will be required in future years.

As part of the capital plan the Town has historically financed the acquisition of some capital assets from current revenue. This policy will continue to improve the financial position as net position will increase by the amount of acquisitions less the current depreciation.

Major capital assets are funded by the issuance of long and short-term debt and capital grants. The effect on net position during the construction phase of the project is neutral for assets acquired with debt since the Town

increases its assets and associated liability by the same amount. In subsequent years the net position will be reduced through depreciation and will be increased by the revenues raised to support the debt principal payments. Net position is increased for assets acquired with grant funds since there is no corresponding liability incurred.

Outstanding long-term debt of the general government, as of June 30, 2013, totaled \$36.4 million of which, \$8.4 million is related to library projects, \$24.7 million is related to school projects, \$1.7 million is related to roadway improvements and \$1.6 million for department equipment.

The enterprise fund has \$1.3 million in sewer enterprise debt outstanding that is fully supported by the rates and does not rely on a general fund subsidy.

The most significant capital asset additions during the year included various school building improvements, public safety and public works vehicles, school computers and equipment, and roadway improvements. Also, current year expenditures for the new library have been capitalized as building improvements as of June 30, 2013.

Please refer to notes 6, 7, and 8 to the financial statements for further discussion of the Town’s major capital and debt activity.

CAPITAL ASSETS

	Cost of Capital Assets	Accumulated Depreciation at end of year	Capital Assets, net
Governmental activities:			
Land.....	\$ 5,858,382	\$ -	\$ 5,858,382
Buildings and improvements.....	106,701,907	(30,827,401)	75,874,506
Vehicles.....	7,332,090	(4,372,913)	2,959,177
Machinery and equipment.....	11,115,625	(9,036,207)	2,079,418
Furniture and fixtures.....	386,986	(298,326)	88,660
Infrastructure.....	<u>86,646,634</u>	<u>(53,260,483)</u>	<u>33,386,151</u>
Total governmental activities.....	<u>218,041,624</u>	<u>(97,795,330)</u>	<u>120,246,294</u>
Business-type activities:			
Land.....	350,850	-	350,850
Plant and infrastructure.....	26,464,464	(16,389,572)	10,074,892
Other buildings and improvements...	6,339,070	(3,467,935)	2,871,135
Vehicles.....	489,316	(405,711)	83,605
Machinery and equipment.....	510,212	(271,047)	239,165
Furniture and fixtures.....	<u>35,323</u>	<u>(35,323)</u>	<u>-</u>
Total business-type activities.....	<u>34,189,235</u>	<u>(20,569,588)</u>	<u>13,619,647</u>
Total capital assets.....	<u>\$ 252,230,859</u>	<u>\$ (118,364,918)</u>	<u>\$ 133,865,941</u>

GOVERNMENTAL BONDS PAYABLE

Project	Maturity Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2012	Issued	Redeemed	Outstanding at June 30, 2013
Municipal Purpose Bonds of 2004.....	2013	\$ 42,103,000	2.50 - 5.38	\$ 2,255,000	-	\$ (2,255,000)	-
Municipal Purpose Bonds of 2008.....	2023	3,830,000	3.50 - 4.00	2,445,000	-	(340,000)	2,105,000
Municipal Purpose Bonds of 2009.....	2029	3,500,000	2.13 - 5.00	2,975,000	-	(175,000)	2,800,000
Municipal Purpose Bonds of 2010.....	2031	9,300,000	3.25 - 4.00	8,835,000	-	(465,000)	8,370,000
Municipal Purpose Refunding Bonds of 2012..	2023	61,198,000	2.00 - 4.00	19,035,000	-	(40,000)	18,995,000
Municipal Purpose Bonds of 2013.....	2022	4,635,000	2.00 - 3.00	-	4,635,000	(465,000)	4,170,000
Total Governmental Activities.....				\$ 35,545,000	\$ 4,635,000	\$ (3,740,000)	\$ 36,440,000

ENTERPRISE BONDS PAYABLE

Project	Maturity Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2012	Issued	Redeemed	Outstanding at June 30, 2013
Municipal Purpose Bonds of 1998.....	2019	\$ 3,220,700	3.88	\$ 1,230,900	-	\$ (90,300)	\$ 1,140,600
MWRA Notes of 2012.....	2017	212,300	0.00	212,300	-	(42,460)	169,840
Total Enterprise Bonds Payable.....				\$ 1,443,200	\$ -	\$ (132,760)	\$ 1,310,440

The Town of Westwood has an “AA+” rating from Standard & Poor’s and an “Aa1” from Moody’s for general obligation debt.

Other Postemployment Benefits

In accordance with GASB Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pension (OPEB)*, the government-wide activities have accumulated a liability for other postemployment benefits totaling \$17.8 million as of June 30, 2013 and have pre-funded future obligations totaling approximately \$527,000 during fiscal year 2013. The total assets set aside in trust for future benefits amounted to approximately \$612,000 at fiscal year-end.

Economic Factors and Next Year’s Budget and Rates

For the fiscal year 2014 budget, the Town has projected modest improvement in major revenue categories over the previous year’s budget. General tax revenues are expected to increase by approximately 3%, and our state aid is scheduled to be level funded. Economic driven local receipts; such as motor vehicle excise payments and buildings permits, have also been level funded for FY14 after stabilized collections from prior years.

The modest revenue increases and stabilizations have allowed the Town to make the following conservative budget decisions:

- The Town provided for an approximate 3% increase for the fiscal year 2014 school and municipal operating budgets. The overall municipal budget increased by 4% due to increased staffing in the Fire Department funded by ambulance receipts.
- Favorable settlement of labor contracts allowed the Town to remain within the 3% increase while maintaining current staffing levels.
- The fiscal year 2014 budget has level funded the base capital budgets and provides for important sewer system repair work through a new debt authorization of \$1.5 million.
- The fiscal year 2014 budget provides for a \$100,000 appropriation to the stabilizations reserve accounts, following a \$500,000 appropriation through one time revenue.

- The FY14 budget provides for a \$503,000 appropriation to the OPEB Trust account. This is an ongoing appropriation funded with the budget.
- The FY14 commercial and residential tax rates are not yet finalized, but are expected to increase approximately 2.5%.

Requests for Information

This financial report is designed to provide a general overview of the Town of Westwood's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, Town Hall, 580 High Street, Westwood, Massachusetts 02090.

Basic Financial Statements

STATEMENT OF NET POSITION

JUNE 30, 2013

	<i>Primary Government</i>		
	Governmental Activities	Business-type Activities	Total
ASSETS			
CURRENT:			
Cash and cash equivalents.....	\$ 23,875,308	\$ 2,329,997	\$ 26,205,305
Investments.....	15,723	-	15,723
Receivables, net of allowance for uncollectibles:			
Real estate and personal property taxes.....	541,864	-	541,864
Tax liens.....	770,371	-	770,371
Motor vehicle excise taxes.....	389,879	-	389,879
User charges.....	-	1,725,239	1,725,239
Departmental and other.....	133,011	-	133,011
Intergovernmental.....	1,885,102	47,943	1,933,045
Total Current Assets.....	<u>27,611,258</u>	<u>4,103,179</u>	<u>31,714,437</u>
NONCURRENT:			
Receivables, net of allowance for uncollectibles:			
Intergovernmental.....	11,207,142	248,407	11,455,549
Capital assets, not being depreciated.....	5,858,382	350,850	6,209,232
Capital assets, net of accumulated depreciation.....	<u>114,387,912</u>	<u>13,268,797</u>	<u>127,656,709</u>
Total Noncurrent Assets.....	<u>131,453,436</u>	<u>13,868,054</u>	<u>145,321,490</u>
TOTAL ASSETS.....	<u>159,064,694</u>	<u>17,971,233</u>	<u>177,035,927</u>
LIABILITIES			
CURRENT:			
Warrants payable.....	2,380,796	12,719	2,393,515
Accrued payroll.....	1,493,578	5,912	1,499,490
Accrued interest.....	261,186	7,630	268,816
Other liabilities.....	432,612	-	432,612
Compensated absences.....	1,005,000	16,000	1,021,000
Bonds payable.....	<u>3,817,917</u>	<u>218,760</u>	<u>4,036,677</u>
Total Current Liabilities.....	<u>9,391,089</u>	<u>261,021</u>	<u>9,652,110</u>
NONCURRENT:			
Compensated absences.....	517,000	-	517,000
Other postemployment benefits.....	17,611,398	237,244	17,848,642
Bonds payable.....	<u>33,401,249</u>	<u>1,091,680</u>	<u>34,492,929</u>
Total Noncurrent Liabilities.....	<u>51,529,647</u>	<u>1,328,924</u>	<u>52,858,571</u>
TOTAL LIABILITIES.....	<u>60,920,736</u>	<u>1,589,945</u>	<u>62,510,681</u>
NET POSITION			
Net investment in capital assets.....	96,462,678	12,309,207	108,771,885
Restricted for:			
Permanent funds:			
Expendable.....	193,692	-	193,692
Nonexpendable.....	356,034	-	356,034
Gifts.....	320,770	-	320,770
Grants.....	935,959	-	935,959
Unrestricted.....	<u>(125,175)</u>	<u>4,072,081</u>	<u>3,946,906</u>
TOTAL NET POSITION.....	<u>\$ 98,143,958</u>	<u>\$ 16,381,288</u>	<u>\$ 114,525,246</u>

See notes to basic financial statements.

STATEMENT OF ACTIVITIES

FISCAL YEAR ENDED JUNE 30, 2013

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:					
<i>Governmental Activities:</i>					
General government.....	\$ 6,151,299	\$ 2,388,224	\$ 68,194	\$ -	\$ (3,694,881)
Public safety.....	9,735,929	1,414,033	57,454	-	(8,264,442)
Education.....	57,774,167	2,444,072	13,936,206	-	(41,393,889)
Public works.....	8,351,807	20,165	-	533,144	(7,798,498)
Human services.....	1,218,894	71,898	127,852	-	(1,019,144)
Culture and recreation.....	2,801,155	878,509	64,355	148,859	(1,709,432)
Interest.....	1,216,381	-	363,276	-	(853,105)
Total Governmental Activities.....	87,249,632	7,216,901	14,617,337	682,003	(64,733,391)
<i>Business-Type Activities:</i>					
Sewer.....	3,913,703	3,525,289	85,164	45,115	(258,135)
Total Primary Government.....	\$ 91,163,335	\$ 10,742,190	\$ 14,702,501	\$ 727,118	\$ (64,991,526)

See notes to basic financial statements.

(Continued)

STATEMENT OF ACTIVITIES

FISCAL YEAR ENDED JUNE 30, 2013

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Changes in net position:			
Net (expense) revenue from previous page.....	\$ (64,733,391)	\$ (258,135)	\$ (64,991,526)
<i>General revenues:</i>			
Real estate and personal property taxes, net of tax refunds payable.....	57,531,776	-	57,531,776
Motor vehicle excise taxes.....	2,591,759	-	2,591,759
Penalties and interest on taxes.....	180,465	-	180,465
Grants and contributions not restricted to specific programs.....	639,972	-	639,972
Unrestricted investment income.....	45,831	-	45,831
Gain on sale of capital assets.....	290,000	-	290,000
<i>Transfers, net</i>	290,978	(290,978)	-
Total general revenues and transfers.....	61,570,781	(290,978)	61,279,803
Change in net position.....	(3,162,610)	(549,113)	(3,711,723)
<i>Net Position:</i>			
Beginning of year.....	101,306,568	16,930,401	118,236,969
End of year.....	\$ 98,143,958	\$ 16,381,288	\$ 114,525,246

See notes to basic financial statements.

(Concluded)

**GOVERNMENTAL FUNDS
BALANCE SHEET**

JUNE 30, 2013

ASSETS	General	University Station Project	Library Project	Nonmajor Governmental Funds	Total Governmental Funds
Cash and cash equivalents.....	\$ 13,077,491	\$ 348,438	\$ 601,039	\$ 9,848,340	\$ 23,875,308
Investments.....	-	-	-	15,723	15,723
Receivables, net of uncollectibles:					
Real estate and personal property taxes.....	541,864	-	-	-	541,864
Tax liens.....	770,371	-	-	-	770,371
Motor vehicle excise taxes.....	389,879	-	-	-	389,879
Departmental and other.....	8,788	-	-	124,223	133,011
Intergovernmental.....	12,284,000	-	-	808,244	13,092,244
TOTAL ASSETS.....	\$ 27,072,393	\$ 348,438	\$ 601,039	\$ 10,796,530	\$ 38,818,400
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
Warrants payable.....	\$ 1,809,460	\$ -	\$ 388,748	\$ 182,588	\$ 2,380,796
Accrued payroll.....	1,493,578	-	-	-	1,493,578
Other liabilities.....	432,612	-	-	-	432,612
Deferred revenues.....	13,765,064	-	-	932,467	14,697,531
TOTAL LIABILITIES.....	17,500,714	-	388,748	1,115,055	19,004,517
FUND BALANCES:					
Nonspendable.....	-	-	-	356,034	356,034
Restricted.....	-	348,438	212,291	9,325,441	9,886,170
Committed.....	1,237,464	-	-	-	1,237,464
Assigned.....	1,085,504	-	-	-	1,085,504
Unassigned.....	7,248,711	-	-	-	7,248,711
TOTAL FUND BALANCES.....	9,571,679	348,438	212,291	9,681,475	19,813,883
TOTAL LIABILITIES AND FUND BALANCES.....	\$ 27,072,393	\$ 348,438	\$ 601,039	\$ 10,796,530	\$ 38,818,400

See notes to basic financial statements.

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TOTAL FUND BALANCES TO THE STATEMENT OF NET POSITION**

JUNE 30, 2013

Total governmental fund balances.....		\$ 19,813,883
Capital assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.....		120,246,294
Accounts receivable are not available to pay for current-period expenditures and, therefore, are deferred in the funds.....		14,697,531
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.....		(261,186)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds		
Bonds payable.....	(37,219,166)	
Other postemployment benefits.....	(17,611,398)	
Compensated absences.....	<u>(1,522,000)</u>	
Net effect of reporting long-term liabilities.....		<u>(56,352,564)</u>
Net position of governmental activities.....		<u>\$ 98,143,958</u>

See notes to basic financial statements.

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

FISCAL YEAR ENDED JUNE 30, 2013

	General	University Station Project	Library Project	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:					
Real estate and personal property taxes, net of tax refunds.....	\$ 57,528,131	\$ -	\$ -	\$ -	\$ 57,528,131
Motor vehicle excise taxes.....	2,396,286	-	-	-	2,396,286
Charges for services.....	-	-	-	4,572,213	4,572,213
Penalties and interest on taxes.....	180,465	-	-	-	180,465
Fees and rentals.....	308,533	-	-	-	308,533
Licenses and permits.....	658,179	-	-	-	658,179
Fines and forfeitures.....	10,940	-	-	-	10,940
Intergovernmental.....	12,861,073	-	148,859	2,290,805	15,300,737
Departmental and other.....	254,599	1,601,661	-	718,088	2,574,348
Contributions.....	-	-	-	217,283	217,283
Investment income.....	50,190	-	-	3,102	53,292
TOTAL REVENUES.....	74,248,396	1,601,661	148,859	7,801,491	83,800,407
EXPENDITURES:					
Current:					
General government.....	2,687,636	1,310,832	-	450,886	4,449,354
Public safety.....	6,291,846	-	-	144,902	6,436,748
Education.....	35,170,627	-	-	6,534,911	41,705,538
Public works.....	4,400,302	-	-	2,631,115	7,031,417
Human services.....	791,381	-	-	48,821	840,202
Culture and recreation.....	1,283,378	-	3,626,915	698,688	5,608,981
Pension benefits.....	9,164,381	-	-	-	9,164,381
Property and liability insurance.....	325,755	-	-	-	325,755
Employee benefits.....	6,455,097	-	-	-	6,455,097
State and county charges.....	570,404	-	-	-	570,404
Capital outlay.....	1,964,049	-	-	-	1,964,049
Debt service:					
Principal.....	3,740,000	-	-	-	3,740,000
Interest.....	1,327,341	-	-	-	1,327,341
TOTAL EXPENDITURES.....	74,172,197	1,310,832	3,626,915	10,509,323	89,619,267
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	76,199	290,829	(3,478,056)	(2,707,832)	(5,818,860)
OTHER FINANCING SOURCES (USES):					
Issuance of long-term debt.....	-	-	-	4,635,000	4,635,000
Sale of capital assets.....	-	-	-	290,000	290,000
Transfers in.....	1,254,221	-	-	-	1,254,221
Transfers out.....	-	-	-	(963,243)	(963,243)
TOTAL OTHER FINANCING SOURCES (USES).....	1,254,221	-	-	3,961,757	5,215,978
NET CHANGE IN FUND BALANCES.....	1,330,420	290,829	(3,478,056)	1,253,925	(602,882)
FUND BALANCES AT BEGINNING OF YEAR.....	8,241,259	57,609	3,690,347	8,427,550	20,416,765
FUND BALANCES AT END OF YEAR.....	\$ 9,571,679	\$ 348,438	\$ 212,291	\$ 9,681,475	\$ 19,813,883

See notes to basic financial statements.

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES**

FISCAL YEAR ENDED JUNE 30, 2013

Net change in fund balances - total governmental funds.....	\$	(602,882)
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>		
Capital outlay.....	8,462,813	
Depreciation expense.....	<u>(6,687,039)</u>	
Net effect of reporting capital assets.....		1,775,774
<p>Revenues in the Statement of Activities that do not provide current financial resources are fully deferred in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable (i.e., real estate and personal property, motor vehicle excise, etc.) differ between the two statements. This amount represents the net change in deferred revenue.....</p>		
		(294,363)
<p>The issuance of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.</p>		
Proceeds from bonds and notes.....	(4,635,000)	
Debt service principal payments.....	<u>3,740,000</u>	
Net effect of reporting long-term debt.....		(895,000)
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.</p>		
Net change in compensated absences accrual.....	53,000	
Net change in accrued interest on long-term debt.....	110,960	
Net change in other postemployment benefits.....	<u>(3,310,099)</u>	
Net effect of recording long-term liabilities.....		<u>(3,146,139)</u>
Change in net position of governmental activities.....	\$	<u><u>(3,162,610)</u></u>

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF NET POSITION

JUNE 30, 2013

	<u>Business-type Sewer Enterprise</u>
ASSETS	
CURRENT:	
Cash and cash equivalents.....	\$ 2,329,997
Receivables, net of allowance for uncollectibles:	
User fees.....	1,725,239
Intergovernmental.....	<u>47,943</u>
Total current assets.....	<u>4,103,179</u>
NONCURRENT:	
Receivables, net of allowance for uncollectibles:	
Intergovernmental.....	248,407
Capital assets, not being depreciated.....	350,850
Capital assets, net of accumulated depreciation.....	<u>13,268,797</u>
Total noncurrent assets.....	<u>13,868,054</u>
TOTAL ASSETS.....	<u>17,971,233</u>
LIABILITIES	
CURRENT:	
Warrants payable.....	12,719
Accrued payroll.....	5,912
Accrued interest.....	7,630
Compensated absences.....	16,000
Bonds payable.....	<u>218,760</u>
Total current liabilities.....	<u>261,021</u>
NONCURRENT:	
Other postemployment benefits.....	237,244
Bonds payable.....	<u>1,091,680</u>
Total noncurrent liabilities.....	<u>1,328,924</u>
TOTAL LIABILITIES.....	<u>1,589,945</u>
NET POSITION	
Net invested in capital assets.....	12,309,207
Unrestricted.....	<u>4,072,081</u>
TOTAL NET POSITION.....	<u>\$ 16,381,288</u>

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

FISCAL YEAR ENDED JUNE 30, 2013

	Business-type Sewer Enterprise
<u>OPERATING REVENUES:</u>	
Charges for services	\$ 3,525,289
<u>OPERATING EXPENSES:</u>	
Cost of services and administration	690,204
MWRA assessment.....	2,317,405
Depreciation.....	803,696
 TOTAL OPERATING EXPENSES	 3,811,305
 OPERATING INCOME (LOSS).....	 (286,016)
<u>NONOPERATING REVENUES (EXPENSES):</u>	
Interest expense.....	(102,398)
Intergovernmental.....	85,164
 TOTAL NONOPERATING REVENUES (EXPENSES), NET.....	 (17,234)
 INCOME/(LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS.....	 (303,250)
<u>CAPITAL CONTRIBUTIONS:</u>	
Sewer betterments.....	45,115
<u>TRANSFERS:</u>	
Transfers out.....	(290,978)
 CHANGE IN NET POSITION.....	 (549,113)
NET POSITION AT BEGINNING OF YEAR.....	16,930,401
NET POSITION AT END OF YEAR.....	\$ 16,381,288

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS

FISCAL YEAR ENDED JUNE 30, 2013

	Business-type Sewer Enterprise
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>	
Receipts from customers and users.....	\$ 3,585,675
Payments to vendors.....	(2,657,172)
Payments to employees.....	(371,834)
	556,669
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u>	
Transfers out.....	(290,978)
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>	
Acquisition and construction of capital assets.....	(608,520)
Capital contributions.....	45,115
Principal payments on bonds and notes.....	(132,760)
Interest expense.....	(51,496)
	(747,661)
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES.....	(747,661)
NET CHANGE IN CASH EQUIVALENTS.....	(481,970)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR.....	2,811,967
CASH AND CASH EQUIVALENTS AT END OF YEAR.....	\$ 2,329,997
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH</u>	
<u>FROM OPERATING ACTIVITIES:</u>	
Operating income (loss).....	\$ (286,016)
Adjustments to reconcile operating income (loss) to net cash from operating activities:	
Depreciation.....	803,696
Changes in assets and liabilities:	
User fees.....	60,386
Warrants payable.....	(64,951)
Accrued payroll.....	(1,756)
Accrued compensated absences.....	(1,000)
Other postemployment benefits.....	46,310
Total adjustments.....	842,685
NET CASH FROM OPERATING ACTIVITIES.....	\$ 556,669
<u>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:</u>	
Intergovernmental debt service subsidy.....	\$ 85,164

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2013

	Other Postemployment Benefit Trust Fund	Private Purpose Trust Funds	Agency Fund
ASSETS			
Cash and cash equivalents.....	\$ 612,328	\$ 335,064	\$ 694,070
Receivables, net of allowance for uncollectibles:			
Departmental and other.....	-	-	80,233
TOTAL ASSETS	612,328	335,064	774,303
LIABILITIES			
Warrants payable.....	-	-	1,015
Liabilities due depositors.....	-	-	773,288
TOTAL LIABILITIES	-	-	774,303
NET POSITION			
Held in trust for OPEB and other purposes.....	\$ <u>612,328</u>	\$ <u>335,064</u>	\$ <u>-</u>

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FISCAL YEAR ENDED JUNE 30, 2013

	<u>Other Postemployment Benefit Trust Fund</u>	<u>Private Purpose Trust Funds</u>
<u>ADDITIONS:</u>		
Contributions:		
Employer.....	\$ 611,336	\$ -
Private donations.....	-	97,395
Total contributions.....	<u>611,336</u>	<u>97,395</u>
Net investment income:		
Interest.....	992	2,596
TOTAL ADDITIONS.....	<u>612,328</u>	<u>99,991</u>
<u>DEDUCTIONS:</u>		
Educational scholarships.....	-	104,345
TOTAL DEDUCTIONS.....	<u>-</u>	<u>104,345</u>
CHANGE IN NET POSITION.....	612,328	(4,354)
NET POSITION AT BEGINNING OF YEAR.....	<u>-</u>	<u>339,418</u>
NET POSITION AT END OF YEAR.....	<u>\$ 612,328</u>	<u>\$ 335,064</u>

See notes to basic financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements of the Town of Westwood, Massachusetts (the Town) have been prepared in accordance with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the recognized standard-setting body for establishing governmental accounting and financial reporting principles. The significant Town accounting policies are described herein.

A. Reporting Entity

An elected three-member Board of Selectmen governs the Town.

For financial reporting purposes, the Town has included all funds, organizations, agencies, boards, commissions and institutions. The Town has also considered all potential component units for which it is financially accountable as well as other organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the Town’s basic financial statements to be misleading or incomplete. As required by GAAP, these basic financial statements present the Town (the Primary Government) and its component units. The Town did not identify any component units requiring inclusion in the basic financial statements.

Joint Ventures

The Town has entered into a joint venture with the Towns of Avon, Canton, Dedham, Braintree, Holbrook, Milton, Norwood, and Randolph to pool resources and share the costs, risks and rewards of providing vocational education through the Blue Hills Regional Technical School District (District). As of June 30, 2013, the District has no significant unassigned fund balance and has no outstanding long-term bonds. The following is the address where the District’s financial statements are available, its purpose, and the assessment paid by the Town during fiscal year 2013.

<u>Joint venture and address</u>	<u>Purpose</u>	<u>2013 Assessment</u>
Blue Hills Regional Technical School District 800 Randolph Street, Canton, MA 02021	To provide vocational education	<u>\$ 49,358</u>

The Town has no equity interest in the District.

Jointly Governed Organizations

The Board of Selectmen is responsible for appointing three of the six-member Board of Water Commissioners of the Dedham-Westwood Water District. The Town’s accountability for this organization does not extend beyond making these appointments.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The government-wide financial statements (i.e., statement of net position and the statement of changes in net position) report information on all of the non-fiduciary activities of the primary government and its component units.

Governmental activities, which are primarily supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which are supported primarily by user fees and charges.

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and displayed in a single column.

Major Fund Criteria

Major funds must be reported if the following criteria are met:

- If the total assets, liabilities, revenues, or expenditures/expenses of an individual governmental or enterprise fund are at least 10 percent of the corresponding element (assets, liabilities, etc.) for all fund of that category or type (total governmental or total enterprise funds), *and*
- If the total assets, liabilities, revenues or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding element for all governmental and enterprise funds combined.

Additionally, any other governmental or enterprise fund that management believes is particularly significant to the basic financial statements may be reported as a major fund.

Fiduciary funds are reported by fund type.

C. Measurement Focus, Basis of Accounting and Basis of Presentation

Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when the liabilities are incurred. Real estate and personal property taxes are recognized as revenues in the fiscal year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The statement of activities demonstrates the degree to which the direct expenses of a particular function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include the following:

- Charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment.
- Grants and contributions that are restricted to meeting the operational requirements of a particular function or segment.
- Grants and contributions that are restricted to meeting the capital requirements of a particular function or segment.

Taxes and other items not identifiable as program revenues are reported as general revenues.

For the most part, the effect of interfund activity has been removed from the government-wide financial statements. However, the effect of interfund services provided and used between functions is not eliminated as the elimination of these charges would distort the direct costs and program revenues reported for the functions affected.

Fund Financial Statements

Governmental fund financial statements are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences, and claims and judgments which are recognized when the obligations are expected to be liquidated with current expendable available resources.

Real estate and personal property tax revenues are considered available if they are collected within 60 days after fiscal year-end. Investment income is susceptible to accrual. Other receipts and tax revenues become measurable and available when the cash is received and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria is met. Expenditure driven grants recognize revenue when the qualifying expenditures are incurred and all other grant requirements are met.

The following major governmental funds are reported:

The *general fund* is the primary operating fund. It is used to account for all financial resources, except those that are required to be accounted for in another fund.

The *University Station Project fund* is used to account for the funds received in connection with the development and renovation of the new train station as well as residential, commercial, and retail units.

The *Library Project fund* is used to account for the funds used in the construction and development of the Town library.

The nonmajor governmental funds consist of other special revenue, capital projects and permanent funds that are aggregated and presented in the *nonmajor governmental funds* column on the governmental funds financial statements. The following describes the general use of these fund types:

The *special revenue fund* is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than permanent funds or capital projects.

The *capital projects fund* is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets of the governmental funds.

The *permanent fund* is used to account for financial resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the governmental programs.

Proprietary fund financial statements are reported using the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when the liabilities are incurred.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary funds principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The following major proprietary fund is reported:

The *sewer enterprise fund* is used to account for the Town's sewer activities.

Fiduciary fund financial statements are reported using the flow of economic resources measurement focus and use the accrual basis of accounting except for the agency fund, which has no measurement focus. Fiduciary funds are used to account for assets held in a trustee capacity for others that cannot be used to support the governmental programs.

The following fiduciary fund types are reported:

The *Other postemployment benefit trust fund* is used to account for and accumulate resources to provide funding for future OPEB (other postemployment benefit) liabilities.

The *private-purpose trust fund* is used to account for trust arrangements that exclusively benefit individuals, private organizations, or other governments. Some of these trusts have donor restrictions and trustee policies that do not allow the endowment portion and any unrealized appreciation to be spent. The donor restrictions and trustee policies only allows the trustees to authorize spending of the realized investment earnings. The Town's educational scholarship trusts are accounted for in this fund.

The *agency fund* is used to account for assets held in a purely custodial capacity. The Town's agency fund consists primarily of student activities and planning deposits.

D. Cash and Investments

Government-Wide and Fund Financial Statements

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with an original maturity of three months or less from the date of acquisition.

Investments are carried at fair value. The fair values were determined by the closing price for those securities traded on national stock exchanges and at the average bid-and-asked quotation for those securities traded in the over-the-counter market.

E. Accounts Receivable

Government-Wide and Fund Financial Statements

The recognition of revenue related to accounts receivable reported in the government-wide financial statements and the proprietary funds and fiduciary funds financial statements are reported under the accrual basis of accounting. The recognition of revenue related to accounts receivable reported in the governmental funds financial statements are reported under the modified accrual basis of accounting.

Real Estate, Personal Property Taxes and Tax Liens

Real estate and personal property taxes are levied and based on values assessed on January 1st of every year. Assessed values are established by the Board of Assessor's for 100% of the estimated fair market value. Taxes are due on August 1st, November 1st, February 1st and May 1st and are subject to penalties and interest if they are not paid by the respective due date. Real estate tax liens are processed annually on delinquent properties. Real estate and personal property taxes levied are recorded as receivables in the fiscal year of the levy and are recorded under the modified accrual basis of accounting.

Real estate tax liens are processed six months after the close of the valuation year on delinquent properties and are recorded as receivables in the fiscal year they are processed.

Real estate receivables are secured via the tax lien process and are considered 100% collectible. Accordingly, an allowance for uncollectibles is not reported.

Personal property taxes cannot be secured through the lien process. The allowance of uncollectibles is estimated based on historical trends and specific account analysis.

Motor Vehicle Excise Taxes

Motor vehicle excise taxes are assessed annually for each vehicle registered and are recorded as receivables in the fiscal year of the levy. The Commonwealth is responsible for reporting the number of vehicles registered and the fair values of those vehicles. The tax calculation is the fair value of the vehicle multiplied by \$25 per \$1,000 of value.

The allowance for uncollectibles is estimated based on historical trends and specific account analysis.

User Fees

Sewer fees are levied quarterly based on individual meter readings and are subject to penalties and interest if they are not paid by the respective due date. Sewer liens are processed in October of every year and included as a lien on the property owner's tax bill. Sewer charges are recorded as receivables in the fiscal year of the levy and are recorded under the full accrual basis of accounting.

Departmental and Other

Departmental and other receivables consist primarily of police details, ambulance fees and school rentals and are recorded as receivables in the fiscal year accrued. The allowance of uncollectibles is estimated based on historical trends and specific account analysis.

Intergovernmental

Various federal and state grants for operating and capital purposes are applied for and received annually. For non-expenditure driven grants, receivables are recorded as soon as all eligibility requirements imposed by the provider have been met. For expenditure driven grants, receivables are recorded when the qualifying expenditures are incurred and all other grant requirements are met. These receivables are considered 100% collectible and therefore do not report an allowance for uncollectibles.

F. Inventories

Inventories are recorded as expenditures at the time of purchase. Such inventories are not material in total to the basic financial statements and therefore are not reported.

G. Capital Assets

Capital assets, which include land, buildings and improvements, vehicles, machinery and equipment, furniture and fixtures, and infrastructure (e.g., roads, street lights, sewer mains, and similar items), are reported in the applicable governmental or business-type activity column of the government-wide financial statements. Capital assets are recorded at historical cost or at estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at the estimated fair market value at the date of donation. Except for the capital assets of the governmental activities column in the government-wide financial statements, construction period interest is capitalized on constructed capital assets.

All purchases and construction costs in excess of \$10,000 are capitalized at the date of acquisition or construction, respectively, with expected useful lives of greater than one year.

The Town has included all general infrastructure assets regardless of their acquisition date or amount. The Town was able to estimate the historical cost for the initial reporting of these assets through backtracking.

Capital assets (excluding land and construction in progress) are depreciated on a straight-line basis. The estimated useful lives of fixed assets are as follows:

<u>Capital Asset Type</u>	<u>Estimated Useful Life (in years)</u>
Buildings and improvements.....	7-40
Plant and infrastructure.....	7-40
Other buildings and improvements.....	7-40
Vehicles.....	5-10
Machinery and equipment.....	5-50
Furniture and fixtures.....	5-20
Infrastructure.....	5-50

H. Deferred Outflows/Inflows of Resources

Government-Wide Financial Statements (Net Position)

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The Town did not have any items that qualify for reporting in this category.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town did not have any items that qualify for reporting in this category.

I. Net Position Flow Assumption

Government-Wide Financial Statements (Net Position)

Sometimes the Town will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

J. Interfund Receivables and Payables

During the course of its operations, transactions occur between and within individual funds that may result in amounts owed between funds.

Government-Wide Financial Statements

Transactions of a buyer/seller nature between and within governmental funds are eliminated from the governmental activities in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the statement of net position as "internal balances".

Fund Financial Statements

Transactions of a buyer/seller nature between and within funds are *not* eliminated from the individual fund statements. Receivables and payables resulting from these transactions are classified as "Due from other funds" or "Due to other funds" on the balance sheet.

K. Interfund Transfers

During the course of its operations, transactions occur between and within individual funds that may result in amounts owed between funds.

Government-Wide Financial Statements

Transfers between and within governmental funds and are eliminated from the governmental activities in the statement of activities. Any residual balances outstanding between the governmental activities and business-type activities are reported in the statement of activities as "Transfers, net".

Fund Financial Statements

Transfers between and within funds are *not* eliminated from the individual fund statements and are reported as transfers in and transfers out.

L. Net Position and Fund Equity*Government-Wide Financial Statements (Net Position)*

Net position reported as “invested in capital assets, net of related debt” includes capital assets, net of accumulated depreciation, less the principal balance of outstanding debt used to acquire capital assets. Unspent proceeds of capital related debt are not considered to be capital assets. Outstanding debt related to future reimbursements from the state’s school building program is not considered to be capital related debt.

Net position are reported as restricted when amounts that are not available for appropriation or are legally restricted by outside parties for a specific future use.

Net position has been “restricted for” the following:

“Permanent funds – expendable” represents the amount of realized and unrealized investment earnings of donor restricted trusts. The donor restrictions and trustee policies only allows the trustees to approve spending of the realized investment earnings that support governmental programs.

“Permanent funds – nonexpendable” represents the endowment portion of donor restricted trusts that support governmental programs.

“Gifts and Grants” – represents restrictions placed on assets from outside parties.

Fund Financial Statements (Fund Balances)

Governmental fund balances are classified as nonspendable, restricted, committed, assigned, or unassigned based on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

The governmental fund balance classifications are as follows:

“Nonspendable” fund balance includes amounts that cannot be spent because they are either not in spendable form or they are legally or contractually required to be maintained intact.

“Restricted” fund balance includes amounts subject to constraints placed on the use of resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments’ or that are imposed by law through constitutional provisions or enabling legislation.

“Committed” fund balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision-making authority. Town Meeting is the highest level of decision making authority that can, by Town Meeting vote, commit funds for a specific purpose. Once voted, the limitation imposed by the vote remains in place until the funds are used for their intended purpose or a Town Meeting vote is taken to rescind the commitment.

“Assigned” fund balance includes amounts that are constrained by the Town’s intent to be used for specific purposes, but are neither restricted nor committed. The Town’s by-laws authorize the Town Accountant to assign

fund balance. Assignments generally only exist temporarily. Additional action does not have to be taken for the removal of an assignment.

“Unassigned” fund balance includes the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

The Town’s spending policy is to spend restricted fund balance first, followed by committed, assigned and unassigned fund balance. Most governmental funds are designated for one purpose at the time of their creation. Therefore, any expenditure from the fund will be allocated to the applicable fund balance classifications in the order of the aforementioned spending policy. The general fund and certain other funds may have more than one purpose.

M. Long-term debt

Government-Wide and Proprietary Fund Financial Statements

Long-term debt is reported as liabilities in the government-wide and proprietary fund statement of net position. Material bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

Governmental Fund Financial Statements

The face amount of governmental funds long-term debt is reported as other financing sources. Bond premiums and discounts, as well as issuance costs, are recognized in the current period. Bond premiums are reported as other financing sources and bond discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual bond proceeds received, are reported as general government expenditures.

N. Investment Income

Excluding the permanent funds, investment income derived from major and nonmajor governmental funds is legally assigned to the general fund unless otherwise directed by Massachusetts General Law (MGL).

Investment income from proprietary funds is voluntarily assigned and transferred to the general fund.

O. Compensated Absences

Employees are granted vacation and sick leave in varying amounts based on collective bargaining agreements, state laws and executive policies.

Government-Wide and Proprietary Fund Financial Statements

Vested or accumulated vacation and sick leave are reported as liabilities and expensed as incurred.

Governmental Fund Financial Statements

Vested or accumulated vacation and sick leave, which will be liquidated with expendable available financial resources, are reported as expenditures and fund liabilities.

Compensated absences are reported in the governmental funds only if they have matured.

P. Use of Estimates

Government-Wide and Fund Financial Statements

The preparation of basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure for contingent assets and liabilities at the date of the basic financial statements and the reported amounts of the revenues and expenditures/expenses during the fiscal year. Actual results could vary from estimates that were used.

Q. Total Column

Government-Wide Financial Statements

The total column presented on the government-wide financial statements represents consolidated financial information.

Fund Financial Statements

The total column on the fund financial statements is presented only to facilitate financial analysis. Data in this column is not the equivalent of consolidated financial information.

NOTE 2 – CASH AND INVESTMENTS

A cash and investment pool is maintained that is available for use by all funds. Each fund type's portion of this pool is displayed on the balance sheet as "Cash and Cash Equivalents". The deposits and investments of the trust funds are held separately from those of other Town funds.

The Town follows internal investment policies as well as investment policies established under Massachusetts General Laws. The Commonwealth's statutes authorize the investment in obligations of the U.S. Treasury, agencies, and instrumentalities, certificates of deposit, repurchase agreements, money market accounts, bank deposits and the State Treasurer's Investment Pool (the Pool). Additionally, they allow the Town to invest trust funds in trust companies incorporated under the laws of the Commonwealth, banking companies incorporated under the laws of the Commonwealth which are members of the Federal Deposit Insurance Corporation (FDIC), national banks, in participation units in combined investment funds, in paid-up shares and accounts of and in cooperative banks, in shares of savings and loan associations, in shares or savings deposits of federal savings and loan associations doing business in the Commonwealth to an amount not exceeding one hundred thousand dollars, and in bonds or notes which are legal investments for savings banks. Municipalities having trust funds in the custody of the Treasurer in an aggregate amount in excess of two hundred and fifty thousand dollars may also invest trust funds in securities, other than mortgages and collateral loans, which are legal for the investment of funds of savings banks under the laws of the Commonwealth provided that not more than fifteen percent of any such trust funds shall be invested in bank stocks and insurance company stocks, nor shall more than one and one-half percent of such funds be invested in the stock of any one bank or insurance company.

The Pool meets the criteria of an external investment pool. The Pool is administered by the Massachusetts Municipal Depository Trust (MMDT), which was established by the Treasurer of the Commonwealth of Massachusetts who serves as Trustee. The fair value of the position in the Pool is the same as the value of the Pool shares.

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the Town’s deposits may not be returned to it. The Town’s deposit and investment policy allows for unlimited investments in MMDT, U.S. Treasuries and Agencies that will be held to maturity with maturities up to one year from the date of purchase, and bank accounts and Certificates of Deposit with maturities up to one year which are fully collateralized or fully insured.

Additionally, the Town’s policy allows for investments in unsecured bank deposits such as checking, savings, money market or Certificates of Deposit with maturities up to three months. Unsecured deposits in each institution are limited to no more than 5% of an institution’s assets and no more than 20% of the Town’s total cash. At fiscal year-end, the carrying amount of deposits totaled \$21,277,243 and the bank balance totaled \$22,209,671. Of the bank balance, \$2,000,000 was covered by Federal Depository Insurance, \$2,698,635 was covered by the Depositors Insurance Fund, \$85,064 was covered by the Share Insurance Fund, \$10,519,561 was collateralized and \$6,906,411 was subject to custodial credit risk because it was uninsured and uncollateralized.

Investments

As of June 30, 2013, the Town had the following investments:

Equity Mutual Funds.....	\$	15,723
MMDT.....		<u>5,957,196</u>
Total Investments.....	\$	<u><u>5,972,919</u></u>

In addition to the Town’s investments reported above, the OPEB Trust held \$612,328 at June 30, 2013, which was invested in MMDT.

The Town participates in MMDT, which maintains a cash portfolio and a short-term bond fund with combined average maturities of approximately 3 months.

Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of a failure by the counterparty, the Town will not be able to recover the value of its investments or collateral security that are in the possession of the outside party. At June 30, 2013, the Town does not have any custodial credit risk exposure for its investments since open-end mutual funds and MMDT deposits are not subject to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form. In addition to the deposit and investment restrictions listed above, the Town’s investment policies allow for trust funds to be invested in any instruments allowed by the Legal List issued by the Banking Commissioner each July. Stabilization funds may be invested in National Banks, Savings Banks, Cooperative banks or trust companies organized under Massachusetts laws, Securities legal for savings banks (i.e. those included in the Legal List issued annually by the Banking Commissioner), Federal Savings and Loan Associations situated in the Commonwealth and the MMDT.

Interest Rate Risk

Interest rate risk exists when there is a possibility that changes in interest rates could adversely affect the fair value of the Town’s investments. The Town manages its exposure to fair value losses arising from increasing interest rates by limiting the allowable maturities of investments. The Town’s investment policy limits the maturities of investments in U.S. Treasuries, U.S. Agencies and secured Certificates of Deposit to a maximum of one year from the date of purchase. Negotiable Certificates of Deposit are limited to a maximum of three months. The Town had no debt securities as of June 30, 2013.

Credit Risk

The Town’s policy for Credit Risk requires all brokerage houses and broker/dealers wishing to do business with the Town to supply the Treasurer with audited financial statements, proof of National Association of Security Dealers certification, a statement that the dealer has read the Town’s investment policy and will comply with it and proof of credit worthiness with minimum standards of at least five years in operation and a minimum capital of \$10 million. All of the Town’s investments are unrated.

Concentration of Credit Risk

The Town limits the amount that may be invested in any one issuer, except for MMDT, to no more than 5% of an institution’s assets and no more than 30% of the Town’s total investments. At June 30, 2013, the Town did not have more than 5% of the Town’s investments in with any one issuer.

NOTE 3 – RECEIVABLES

At June 30, 2013, receivables for the individual major governmental funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>Gross Amount</u>	<u>Allowance for Uncollectibles</u>	<u>Net Amount</u>
<u>Receivables:</u>			
Real estate and personal property taxes.....	\$ 541,864	\$ -	\$ 541,864
Tax liens.....	770,371	-	770,371
Motor vehicle excise taxes.....	458,879	(69,000)	389,879
Departmental and other.....	198,011	(65,000)	133,011
Intergovernmental.....	<u>13,092,244</u>	<u>-</u>	<u>13,092,244</u>
Total.....	<u>\$ 15,061,369</u>	<u>\$ (134,000)</u>	<u>\$ 14,927,369</u>

At June 30, 2013, receivables for the fiduciary funds consist of the following:

	<u>Gross Amount</u>	<u>Allowance for Uncollectibles</u>	<u>Net Amount</u>
<u>Receivables:</u>			
Details.....	<u>\$ 80,233</u>	<u>\$ -</u>	<u>\$ 80,233</u>

At June 30, 2013, receivables for the enterprise fund consist of the following:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Sewer fees.....	\$ 1,725,239	\$ -	\$ 1,725,239
Intergovernmental.....	296,350	-	296,350
 Total.....	 \$ 2,021,589	 \$ -	 \$ 2,021,589

Governmental funds report *deferred revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, the various components of *deferred revenue* reported in the governmental funds were as follows:

	General Fund	Nonmajor Governmental Funds	Total
<u>Receivable type:</u>			
Real estate and personal property taxes.....	\$ 312,026	\$ -	\$ 312,026
Tax liens.....	770,371	-	770,371
Motor vehicle excise taxes.....	389,879	-	389,879
Departmental and other.....	8,788	124,223	133,011
Intergovernmental.....	12,284,000	808,244	13,092,244
 Total.....	 \$ 13,765,064	 \$ 932,467	 \$ 14,697,531

NOTE 4 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund transfers for the fiscal year ended June 30, 2013, are summarized as follows:

Transfers Out:	Transfers In:	
	General Fund	
Nonmajor Governmental Fund.....	\$ 254,562	(A)
Nonmajor Governmental Fund.....	109,231	(B)
Nonmajor Governmental Fund.....	589,450	(C)
Nonmajor Governmental Fund.....	10,000	(D)
Sewer Enterprise Fund.....	290,978	(E)
 Total.....	 \$ 1,254,221	

- (A) - Transfer from Special Revenue Bond Premiums Fund to support debt service expenditures.
- (B) - Transfer from Special Revenue Revolving Funds to support conservation expenditures and medicare expenditures.
- (C) - Transfer from Special Revenue Ambulance Receipts for ambulance operations.
- (D) - Transfer from Cemetary Perpetual Care Fund to support cemetery expenditures.
- (E) - Transfer from Sewer Fund to the General Fund for indirect cost reimbursements.

NOTE 5 – PENSION PLAN

Plan Description - The Town contributes to the Norfolk County Contributory Retirement System (the System), a cost-sharing multiple-employer defined benefit pension plan administered by the Norfolk County Retirement Board. Substantially all employees of the Town are members of the System, except for public school teachers and certain administrators who are members of the Commonwealth of Massachusetts' Teachers Retirement System, to which the Town does not contribute. Pension benefits and administrative expenses paid by the Teachers Retirement Board are the legal responsibility of the Commonwealth. The amount of these on-behalf payments totaled approximately \$6,376,000 for the fiscal year ended June 30, 2013, and, accordingly, are reported in the General Fund as Intergovernmental Revenues and Pension Expenditures.

The System provides retirement, disability and death benefits to plan members and beneficiaries. Chapter 32 of the MGL assigns authority to establish and amend benefit provisions of the plan. Cost-of-living adjustments granted between 1981 and 1997 and any increase in other benefits imposed by the Commonwealth's state law during those years are borne by the Commonwealth and are deposited into the pension fund. Cost-of-living adjustments granted after 1997 must be approved by the Norfolk County Contributory Retirement Board and are borne by the System. The System issues a publicly available financial report in accordance with guidelines established by the Commonwealth's Public Employee Retirement Administration Commission. That report may be obtained by contacting the System located at 480 Neponset Street, Building 15, Canton, MA, 02021.

Funding Policy - Plan members are required to contribute to the System at rates ranging from 5% to 11% of annual covered compensation. The Town is required to pay into the System its share of the system-wide actuarial determined contribution that is apportioned among the employers based on active current payroll. The contributions of plan members and the Town are governed by Chapter 32 of the MGL.

Annual Pension Cost - The Town's contributions to the System for the fiscal years ended June 30, 2013, 2012, and 2011 were \$2,749,247, \$2,619,736, and \$2,417,220, which equaled its required contribution for each fiscal year.

The schedule of funding progress, presented as required supplementary information, following the notes to the basic financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. Additionally, the schedule of employer contributions, presented as required supplementary information, following the notes to the basic financial statements, presents multiyear trend information for required and actual contributions relating to the cost-sharing plan as a whole, of which the Town is one participating employer, as well as the Town's proportionate share of the plan's annual contributions. This information is designed to be helpful for understanding the scale of the information presented relative to the Town.

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2013, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 5,858,382	\$ -	\$ -	\$ 5,858,382
Construction in progress.....	8,938,689	-	(8,938,689)	-
Total capital assets not being depreciated.....	<u>14,797,071</u>	<u>-</u>	<u>(8,938,689)</u>	<u>5,858,382</u>
<u>Capital assets being depreciated:</u>				
Buildings and improvements.....	92,438,395	14,263,512	-	106,701,907
Vehicles.....	6,515,157	1,682,268	(865,335)	7,332,090
Machinery and equipment.....	10,637,712	477,913	-	11,115,625
Furniture and fixtures.....	386,986	-	-	386,986
Infrastructure.....	85,668,825	977,809	-	86,646,634
Total capital assets being depreciated.....	<u>195,647,075</u>	<u>17,401,502</u>	<u>(865,335)</u>	<u>212,183,242</u>
<u>Less accumulated depreciation for:</u>				
Buildings and improvements.....	(28,261,805)	(2,565,596)	-	(30,827,401)
Vehicles.....	(4,510,334)	(727,914)	865,335	(4,372,913)
Machinery and equipment.....	(8,018,351)	(1,017,856)	-	(9,036,207)
Furniture and fixtures.....	(272,689)	(25,637)	-	(298,326)
Infrastructure.....	(50,910,447)	(2,350,036)	-	(53,260,483)
Total accumulated depreciation.....	<u>(91,973,626)</u>	<u>(6,687,039)</u>	<u>865,335</u>	<u>(97,795,330)</u>
Total capital assets being depreciated, net.....	<u>103,673,449</u>	<u>10,714,463</u>	<u>-</u>	<u>114,387,912</u>
Total governmental activities capital assets, net.....	<u>\$ 118,470,520</u>	<u>\$ 10,714,463</u>	<u>\$ (8,938,689)</u>	<u>\$ 120,246,294</u>

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities:				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 350,850	\$ -	\$ -	\$ 350,850
<u>Capital assets being depreciated:</u>				
Plant and infrastructure.....	25,916,432	548,032	-	26,464,464
Other buildings and improvements.....	6,339,070	-	-	6,339,070
Vehicles.....	506,331	33,985	(51,000)	489,316
Machinery and equipment.....	483,709	26,503	-	510,212
Furniture and fixtures.....	35,323	-	-	35,323
Total capital assets being depreciated.....	<u>33,280,865</u>	<u>608,520</u>	<u>(51,000)</u>	<u>33,838,385</u>
<u>Less accumulated depreciation for:</u>				
Plant and infrastructure.....	(15,871,244)	(518,328)	-	(16,389,572)
Other buildings and improvements.....	(3,296,742)	(171,193)	-	(3,467,935)
Vehicles.....	(374,116)	(82,595)	51,000	(405,711)
Machinery and equipment.....	(239,467)	(31,580)	-	(271,047)
Furniture and fixtures.....	(35,323)	-	-	(35,323)
Total accumulated depreciation.....	<u>(19,816,892)</u>	<u>(803,696)</u>	<u>51,000</u>	<u>(20,569,588)</u>
Total capital assets being depreciated, net.....	<u>13,463,973</u>	<u>(195,176)</u>	<u>-</u>	<u>13,268,797</u>
Total business-type activities capital assets, net.....	<u>\$ 13,814,823</u>	<u>\$ (195,176)</u>	<u>\$ -</u>	<u>\$ 13,619,647</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:

General government.....	\$ 178,755
Public safety.....	367,686
Education.....	2,896,276
Public works.....	2,888,897
Human services.....	34,358
Culture and recreation.....	<u>321,067</u>
Total depreciation expense - governmental activities.....	<u>\$ 6,687,039</u>

Business-Type Activities:

Sewer.....	<u>\$ 803,696</u>
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NOTE 7 – SHORT-TERM FINANCING

The Town is authorized to borrow on a temporary basis to fund the following:

- Current operating costs prior to the collection of revenues through issuance of revenue or tax anticipation notes (RANS or TANS).
- Capital project costs and other approved expenditures incurred prior to obtaining permanent financing through issuance of bond anticipation notes (BANS) or grant anticipation notes (GANS).
- Federal and state aided capital projects and other program expenditures prior to receiving reimbursement through issuance of federal and state aid anticipation notes (FANS and SANS).

Short-term loans are general obligations of the Town and carry maturity dates that are limited by statute. Interest expenditures for short-term borrowings are accounted for in the General Fund and Sewer Enterprise Fund.

The Town did not have any short-term debt activity during fiscal year 2013.

NOTE 8 – LONG-TERM DEBT

State law permits the Town, under the provisions of Chapter 44, Section 10, to authorize indebtedness up to a limit of 5% of its equalized valuation. Debt issued in accordance with this section of the law is designated as being "inside the debt limit." In addition, however, a Town may authorize debt in excess of that limit for specific purposes. Such debt, when issued, is designated as being "outside the debt limit."

Details related to the Town's outstanding general obligation indebtedness at June 30, 2013, and the debt service requirements follow.

Project	Maturity Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2012	Issued	Redeemed	Outstanding at June 30, 2013
Municipal Purpose Bonds of 2004.....	2013	\$ 42,103,000	2.50 - 5.38	\$ 2,255,000	\$ -	\$ (2,255,000)	\$ -
Municipal Purpose Bonds of 2008.....	2023	3,830,000	3.50 - 4.00	2,445,000	-	(340,000)	2,105,000
Municipal Purpose Bonds of 2009.....	2029	3,500,000	2.13 - 5.00	2,975,000	-	(175,000)	2,800,000
Municipal Purpose Bonds of 2010.....	2031	9,300,000	3.25 - 4.00	8,835,000	-	(465,000)	8,370,000
Municipal Purpose Refunding Bonds of 2012..	2023	19,095,000	2.00 - 4.00	19,035,000	-	(40,000)	18,995,000
Municipal Purpose Bonds of 2013.....	2022	4,635,000	2.00 - 3.00	-	4,635,000	(465,000)	4,170,000
Total Future Debt Service Requirements.....				35,545,000	4,635,000	(3,740,000)	36,440,000
Unamortized Premium on Bonds.....				857,083	-	(77,917)	779,166
Total Governmental Bonds Payable.....				36,402,083	4,635,000	(3,817,917)	37,219,166
Municipal Purpose Bonds of 1998 (MWPAT)..	2019	3,220,700	3.88	1,230,900	-	(90,300)	1,140,600
MWRA Notes 2012.....	2017	212,300	0.00	212,300	-	(42,460)	169,840
Total Enterprise Bonds Payable.....				1,443,200	-	(132,760)	1,310,440
Total General Obligation Bonds Payable.....				\$ 37,845,283	\$ 4,635,000	\$ (3,950,677)	\$ 38,529,606

Debt service requirements for principal and interest for bonds payable in the general fund in future fiscal years are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014.....	\$ 3,740,000	\$ 1,292,572	\$ 5,032,572
2015.....	3,415,000	1,167,485	4,582,485
2016.....	3,330,000	1,074,590	4,404,590
2017.....	3,305,000	984,971	4,289,971
2018.....	3,140,000	856,152	3,996,152
2019.....	3,085,000	747,529	3,832,529
2020.....	3,070,000	620,578	3,690,578
2021.....	3,050,000	506,316	3,556,316
2022.....	3,010,000	403,530	3,413,530
2023.....	2,525,000	310,050	2,835,050
2024.....	640,000	187,988	827,988
2025.....	640,000	164,713	804,713
2026.....	640,000	140,276	780,276
2027.....	640,000	115,618	755,618
2028.....	640,000	89,582	729,582
2029.....	640,000	63,456	703,456
2030.....	465,000	37,200	502,200
2031.....	465,000	18,600	483,600
Total.....	<u>\$ 36,440,000</u>	<u>\$ 8,781,202</u>	<u>\$ 45,221,202</u>

Debt service requirements for principal and interest for bonds payable in the sewer enterprise fund in future fiscal years are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014.....	\$ 218,760	\$ 48,124	\$ 266,884
2015.....	224,060	42,279	266,339
2016.....	229,560	32,554	262,114
2017.....	235,260	23,516	258,776
2018.....	198,500	10,451	208,951
2019.....	204,300	5,108	209,408
Total.....	<u>\$ 1,310,440</u>	<u>\$ 162,032</u>	<u>\$ 1,472,472</u>

The Town has been approved to receive school construction assistance through the Massachusetts School Building Authority (MSBA). The MSBA provides resources for eligible construction costs and debt interest and borrowing costs. During fiscal year 2013, approximately \$1,401,000 of such assistance was received. Approximately \$14,013,000 will be received in future fiscal years. Of this amount, approximately \$1,729,000 represents reimbursement of long-term interest costs, and approximately \$12,284,000 represents reimbursement of approved construction costs. Accordingly, a \$12,284,000 intergovernmental receivable and corresponding deferred revenue has been recorded in the fund based financial statements and the change in the receivable has been recognized as revenue in the conversion to the government-wide financial statements.

The Town is scheduled to be subsidized by the Massachusetts Water Pollution Abatement Trust (MWPAT) on a periodic basis for principal in the amount of \$296,350 and interest costs for \$125,298. Net MWPAT loan repayments including interest are scheduled to be \$993,074. Since the Town is legally obligated for the total amount of the debt, such amounts have been recorded in the accompanying basic financial statements. During fiscal year 2013 there was no principal subsidy and the interest subsidy totaled \$85,164.

The Town is a member of the Massachusetts Water Resources Authority (MWRA) which offers its members interest free loans for various purposes. The Town has \$169,840 in loans outstanding at fiscal year 2013. The imputed interest on this loan is immaterial and has not been recognized by the Town.

The Town is subject to various debt limits by statute and may issue additional general obligation debt under the normal debt limit. At June 30, 2013, the Town had the following authorized and unissued debt:

Purpose	Date Voted	Article	Amount Authorized and Unissued
Road Improvements.....	5/7/2012	13	\$ 900,000
DPW Capital Improvements.....	5/7/2012	14	500,000
Sewer Project.....	5/6/2013	14	<u>1,570,000</u>
Total.....			<u>\$ 2,970,000</u>

Changes in Long-Term Liabilities

During the fiscal year ended June 30, 2013, the following changes occurred in long-term liabilities:

	Balance at June 30, 2012	Additions	Retirements and Other	Balance at June 30, 2013	Current Portion
Governmental Activities:					
Long-Term Bonds.....	\$ 35,545,000	\$ 4,635,000	\$ (3,740,000)	\$ 36,440,000	\$ 3,740,000
Unamortized Premium on Bonds.....	857,083	-	(77,917)	779,166	77,917
Other Postemployment Benefits.....	14,301,299	5,083,210	(1,773,111)	17,611,398	-
Compensated Absences.....	<u>1,575,000</u>	<u>997,000</u>	<u>(1,050,000)</u>	<u>1,522,000</u>	<u>1,005,000</u>
Total Governmental Activities.....	<u>52,278,382</u>	<u>10,715,210</u>	<u>(6,641,028)</u>	<u>56,352,564</u>	<u>4,822,917</u>
Business-Type Activities:					
Long-Term Bonds.....	1,443,200	-	(132,760)	1,310,440	218,760
Other Postemployment Benefits.....	190,934	157,213	(110,903)	237,244	-
Compensated Absences.....	<u>17,000</u>	<u>16,000</u>	<u>(17,000)</u>	<u>16,000</u>	<u>16,000</u>
Total Business-Type Activities.....	<u>1,651,134</u>	<u>173,213</u>	<u>(260,663)</u>	<u>1,563,684</u>	<u>234,760</u>
Total.....	<u>\$ 53,929,516</u>	<u>\$ 10,888,423</u>	<u>\$ (6,901,691)</u>	<u>\$ 57,916,248</u>	<u>\$ 5,057,677</u>

Compensated absence liabilities and other postemployment benefit liabilities related to both governmental and business-type activities are normally paid from the general fund and sewer enterprise funds, respectively.

NOTE 9 – GOVERNMENTAL FUND BALANCE CLASSIFICATIONS

The Town adopted GASB Statement No. 54 *Fund Balance Reporting and Governmental Fund Types Definitions*, as part of its fiscal year 2011 reporting. The intention of the GASB is to provide a more structured classification of fund balance and to improve the usefulness of fund balance reporting to the users of the Town's financial statements. The reporting standard establishes a hierarchy for fund balance classification and the constraints imposed on the uses of those resource.

Massachusetts General Law Ch.40 §5B allows for the establishment of Stabilization funds for one or more different purposes. The creation of a fund requires a two-thirds vote of the legislative body and must clearly define the purpose of the fund. Any changes to the purpose of the fund along with any additions to or appropriations from the fund required a two-thirds vote of the legislative body. At fiscal year end the balance of the General Stabilization fund is \$2.5 million and is reported as unassigned fund balance within the General Fund.

GASB 54 provides for two major types of fund balance, which are nonspendable and spendable. Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund. The Town has reported principal portions of endowment funds as nonspendable.

In addition to the nonspendable fund balances, GASB 54 has provided a hierarchy of spendable fund balances, based on a hierarchy of spending constraints.

- Restricted: fund balances that are constrained by external parties, constitutional provisions, or enabling legislation.
- Committed: fund balances that contain self-imposed constraints of the government from its highest level of decision making authority.
- Assigned: fund balances that contain self-imposed constraints of the government to be used for a particular purpose.
- Unassigned: fund balance of the general fund that is not constrained for any particular purpose.

The Town's spending policy is to spend restricted fund balance first, followed by committed, assigned and unassigned fund balance. Most governmental funds are designated for one purpose at the time of their creation. Therefore, any expenditure from the fund will be allocated to the applicable fund balance classifications in the order of the aforementioned spending policy. The general fund and certain other funds may have more than one purpose.

As of June 30, 2013, the governmental fund balance consisted of the following:

GOVERNMENTAL FUNDS					
	General	University Station	Library Project	Nonmajor Governmental Funds	Total Governmental Funds
FUND BALANCES					
Nonspendable:					
Permanent fund principal..... \$	-	-	-	356,034	\$ 356,034
Restricted for:					
University station.....	-	348,438	-	-	348,438
Library project.....	-	-	212,291	-	212,291
Town grants and revolving funds.....	-	-	-	2,579,768	2,579,768
School lunch.....	-	-	-	82,128	82,128
Ambulance fund.....	-	-	-	794,903	794,903
School grants and revolving funds...	-	-	-	4,136,945	4,136,945
Highway improvement fund.....	-	-	-	122,650	122,650
Expendable governmental trusts.....	-	-	-	104,909	104,909
Roadway improvements.....	-	-	-	1,013,740	1,013,740
School building renovations.....	-	-	-	35,692	35,692
Facility renovations.....	-	-	-	261,014	261,014
Cemetery.....	-	-	-	10,201	10,201
Other expendable trust funds.....	-	-	-	183,491	183,491
Committed to:					
General government.....	522,509	-	-	-	522,509
Public safety.....	535,461	-	-	-	535,461
Education.....	61,040	-	-	-	61,040
Public works.....	118,454	-	-	-	118,454
Assigned to:					
General government.....	23,635	-	-	-	23,635
Public safety.....	470	-	-	-	470
Education.....	1,041,499	-	-	-	1,041,499
Public works.....	16,949	-	-	-	16,949
Human services.....	441	-	-	-	441
Culture and recreation.....	2,510	-	-	-	2,510
Unassigned.....	7,248,711	-	-	-	7,248,711
TOTAL FUND BALANCES..... \$	<u>9,571,679</u>	<u>\$ 348,438</u>	<u>\$ 212,291</u>	<u>\$ 9,681,475</u>	<u>\$ 19,813,883</u>

NOTE 10 – RISK FINANCING

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Town carries commercial insurance. The amount of claim settlements has not exceeded insurance coverage in any of the previous three fiscal years.

The Town provides health insurance to its employees through its participation in the West Suburban Health Group (the Group), a non-profit trust comprised of eleven towns, one school district and two educational collaboratives. The Group is self-sustaining through member premiums. The Town recognizes the cost of providing health insurance by recording its share of insurance premiums paid to the Group in the General Fund in the fiscal year paid. The purpose of the Group is to pay medical claims of its members' employees and their covered dependents. In the event the group is terminated, the Town is obligated to pay its prorata share of a deficit, should one exist.

The Town negotiated to require every employee to move to cost-saver plans offered by West Suburban Health Group and to share the cost savings with the employees. The percentages paid by the Town and employees will

be adjusted each fiscal year in a manner that would allow any excess savings to the Town to be shared with the employees. To accomplish this, the health insurance split for fiscal 2013 was increased from 64/36 (Town/employee) to a 65/35 percent split.

The Town is a member of the Massachusetts Interlocal Insurance Association (MIIA), a public entity risk pool currently operating as a common risk management and insurance program for workers' compensation benefits for employees other than uniformed police and fire personnel. MIIA is self-sustaining through member premiums and reinsures through commercial companies for stop loss insurance. The total premiums assessed by MIIA to the Town during fiscal year 2013 totaled \$169,299 and are recorded in the General Fund.

The Town is self-insured for the workers' compensation claims of police officers and firefighters and are paid on a pay-as-you-go basis from the General Fund. The estimated liability for workers' compensation claims is based on history and injury type. The Town's liability is not material at June 30, 2013, and therefore is not reported.

The Town is self-insured for unemployment compensation. During fiscal year 2013, the Town appropriated \$107,000 to provide for anticipated costs of unemployment benefits. During fiscal year 2013, claims related to unemployment compensation totaled \$59,000. The liability for unemployment compensation was not material at June 30, 2013, and therefore is not reported.

NOTE 11 – STABILIZATION FUND

The Town has \$2.5 million in a stabilization fund classified as part of the general fund in the governmental funds financial statements. The stabilization fund may be used for general and/or capital purposes upon Town Meeting approval. During fiscal year 2013, the stabilization fund earned investment income of approximately \$4,400.

NOTE 12 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description – The Town of Westwood administers a single-employer defined benefit healthcare plan (“the Retiree Health Plan”). The plan provides lifetime healthcare insurance for eligible retirees and their spouses through the Town's group health insurance plan, which covers both active and retired members. Chapter 32B of the MGL assigns authority to establish and amend benefit provisions of the plan. Benefit provisions are negotiated between the Town and the unions representing Town employees and are renegotiated each bargaining period. The Retiree Health Plan does not issue a publicly available financial report.

Funding Policy – Contribution requirements are also negotiated between the Town and union representatives. The required contribution is based on a pay-as-you-go financing requirement. The Town contributes 60 percent of the cost of current-year premiums for eligible retired plan members and their spouses. Plan members receiving benefits contribute the remaining 40 percent of their premium costs. For fiscal year 2013, the Town contributed approximately \$1.9 million to the plan.

Annual OPEB Cost and Net OPEB Obligation – The Town's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The components of the Town’s annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Town’s net OPEB obligation are summarized in the following table:

Annual required contribution.....	\$ 5,143,808
Interest on net OPEB obligation.....	579,689
Amortization of net OPEB obligation.....	<u>(483,074)</u>
Annual OPEB cost (expense).....	5,240,423
Contributions made.....	<u>(1,884,014)</u>
Increase/(Decrease) in net OPEB obligation.....	3,356,409
Net OPEB obligation-beginning of year.....	<u>14,492,233</u>
Net OPEB obligation-end of year.....	<u>\$ 17,848,642</u>

The Town’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal years 2011, 2012 and 2013 were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
6/30/2013	\$ 5,240,423	36%	\$ 17,848,642
6/30/2012	4,966,914	35%	14,492,233
6/30/2011	4,551,079	25%	11,277,145

Funded Status and Funding Progress – As of June 30, 2011, the most recent actuarial valuation date, the actuarial accrued liability for benefits totaled \$59,054,291, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$37,620,046, and the ratio of the UAAL to the covered payroll was 157%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions – Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2011 actuarial valuation, actuarial liabilities were determined using the projected unit credit cost method. The actuarial assumptions included a 4.0% investment return assumption, which is based on the

expected yield on the assets of the Town, calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 7.5% initially, graded to 4.5% inflation rate over 7 years, a 4.0% aggregate annual payroll growth and a 4.0% inflation rate. The UAAL is being amortized over a 30 year open period using a level percentage of projected payroll with amortization payments increasing at 4.0% per year. The remaining amortization period at June 30, 2013 is 28 years.

NOTE 13 – COMMITMENTS

University Station Project

The University Station project, the Town's high profile commercial development project, significantly advanced in FY13. The project is scheduled to include over two million square feet of new mixed use development including residential, commercial, hotel, office and retail components. The developer has demolished most of the existing structures and began the installation of all utilities and layouts of the new road systems. State approvals have been received for the project and construction is well under way with scheduled retail openings to occur in the spring, 2015. Advancement of this project will significantly enhance the Town's tax base.

Library

The Town has completed the construction of a new 32,000 square foot main library located adjacent to the current library. The project, at a cost of \$13.85 million, began in fiscal year 2011 and opened to the public in the summer of 2013. The project included relocating an historic building on this site, all costs associated with the construction of the new facility, and the demolition of the current library. The Town financed the project with a \$9.3 million bond and received approximately \$4 million from the Massachusetts Library and Green Incentive Grant. The new facility, with community meeting space, vibrant children's area and enhanced study rooms, has been well received by the public. The project is substantially complete as of June 30, 2013.

NOTE 14 – CONTINGENCIES

The Town participates in a number of federal award programs. Although the Town grant programs have been audited in accordance with the provisions of the Single Audit Act Amendments of 1996 through June 30, 2013, these programs are still subject to financial and compliance audits. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

Various legal actions and claims are pending against the Town. Litigation is subject to many uncertainties, and the outcome of individual litigated matters is not always predictable. Although the amount of liability, if any, at June 30, 2013, cannot be ascertained, management believes any resulting liability should not materially affect the financial position of the Town at June 30, 2013.

NOTE 15 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS

During fiscal year 2013, the following GASB pronouncements were implemented:

- GASB Statement #60, *Accounting and Financial Reporting for Service Concession Arrangements*. This pronouncement did not require additional disclosure and did not impact the basic financial statements.

- GASB Statement #61, *The Financial Reporting Entity: Omnibus*. This pronouncement did not require additional disclosure and did not impact the basic financial statements.
- GASB Statement #63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. Financial statement changes include net assets changing to net position and invested in capital assets, net of related debt changing to net investment in capital assets. Notes to the basic financial statements were changed to provide additional disclosure on deferred outflows of resources and deferred inflows of resources.
- GASB Statement #66, *Technical Corrections – 2012, an amendment of GASB Statement No. 10 and No. 62*. This pronouncement did not require additional disclosure and did not impact the basic financial statements.

The following GASB pronouncements will be implemented in future fiscal years:

- The GASB issued Statement #65, *Items Previously Reported as Assets and Liabilities*, which is required to be implemented in fiscal year 2014.
- The GASB issued Statement #67, *Financial Reporting for Pension Plans, an amendment of GASB Statement No. 25*, which is required to be implemented in fiscal year 2014.
- The GASB issued Statement #68, *Accounting and Financial Reporting for Pensions, an amendment of GASB Statement No. 27*, which is required to be implemented in fiscal year 2015.
- The GASB issued Statement #69, *Government Combinations and Disposals of Government Operations*, which is required to be implemented in fiscal year 2014.
- The GASB issued Statement #70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, which is required to be implemented in fiscal year 2014.

Management is currently assessing the impact that the implementation of these pronouncements will have on the basic financial statements.

Required Supplementary Information

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General Fund

Budgetary Comparison Schedule

The General Fund is the general operating fund of the Town. It is used to account for all the financial resources, except those required to be accounted for in another fund.

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

FISCAL YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance To Final Budget
	Original Budget	Final Budget			
REVENUES:					
Real estate and personal property taxes, net of tax refunds.....	\$ 56,822,755	\$ 56,822,755	\$ 57,302,993	\$ -	\$ 480,238
Motor vehicle excise taxes.....	2,135,000	2,135,000	2,396,286	-	261,286
Penalties and interest on taxes.....	80,000	80,000	180,465	-	100,465
Fees.....	222,000	222,000	308,533	-	86,533
Licenses and permits.....	350,000	350,000	658,179	-	308,179
Fines and forfeitures.....	12,000	12,000	10,940	-	(1,060)
Intergovernmental.....	6,534,790	6,534,790	6,484,718	-	(50,072)
Departmental and other.....	233,000	233,000	254,599	-	21,599
Investment income.....	60,000	60,000	45,831	-	(14,169)
TOTAL REVENUES.....	66,449,545	66,449,545	67,642,544	-	1,192,999
EXPENDITURES:					
SELECTMEN					
Salaries.....	426,856	426,856	422,740	-	4,116
Expenditures.....	47,300	47,300	46,162	168	970
TOTAL.....	474,156	474,156	468,902	168	5,086
FINANCE COMMISSION					
Salaries.....	39,289	50,489	50,420	-	69
Expenditures.....	21,763	21,763	16,419	-	5,344
TOTAL.....	61,052	72,252	66,839	-	5,413
ACCOUNTING					
Salaries.....	193,942	200,942	200,865	-	77
Expenditures.....	5,300	5,300	3,941	-	1,359
TOTAL.....	199,242	206,242	204,806	-	1,436
AUDIT-SCHOOL & MUNICIPAL FINANCIALS					
Professional Services.....	57,750	57,750	49,505	-	8,245
ASSESSORS					
Salaries.....	181,080	181,080	181,077	-	3
Expenditures.....	20,826	20,826	16,174	3,920	732
TOTAL.....	201,906	201,906	197,251	3,920	735
TREASURER					
Salaries.....	95,454	95,454	95,322	-	132
Expenditures.....	12,050	12,050	7,295	-	4,755
TOTAL.....	107,504	107,504	102,617	-	4,887
COLLECTOR					
Salaries.....	105,749	105,749	105,741	-	8
Expenditures.....	73,850	73,850	68,286	-	5,564
TOTAL.....	179,599	179,599	174,027	-	5,572
LEGAL					
Salaries.....	91,088	91,088	91,088	-	-
Expenditures.....	140,518	140,518	139,915	-	603
TOTAL.....	231,606	231,606	231,003	-	603

(Continued)

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

FISCAL YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance To Final Budget
	Original Budget	Final Budget			
PERSONNEL BOARD					
Salaries.....	161,813	161,813	161,787	-	26
Expenditures.....	10,500	10,500	7,859	-	2,641
TOTAL.....	172,313	172,313	169,646	-	2,667
INFORMATION SYSTEMS					
Salaries.....	243,851	243,851	224,435	-	19,416
Expenditures.....	230,262	230,262	210,692	19,285	285
TOTAL.....	474,113	474,113	435,127	19,285	19,701
TOWN CLERK					
Salaries.....	136,325	136,325	127,216	-	9,109
Expenditures.....	55,200	55,200	45,411	-	9,789
TOTAL.....	191,525	191,525	172,627	-	18,898
CONSERVATION COMMISSION					
Salaries.....	44,099	44,099	44,072	-	27
Expenditures.....	8,280	8,280	3,110	262	4,908
TOTAL.....	52,379	52,379	47,182	262	4,935
PLANNING BOARD					
Salaries.....	126,120	126,120	87,595	-	38,525
Expenditures.....	3,050	3,050	2,423	-	627
TOTAL.....	129,170	129,170	90,018	-	39,152
ZONING BOARD OF APPEALS					
Salaries.....	26,411	26,411	26,410	-	1
Expenditures.....	1,867	1,867	529	-	1,338
TOTAL.....	28,278	28,278	26,939	-	1,339
ECONOMIC DEVELOPMENT TASK FORCE					
Salaries.....	107,767	107,767	45,783	-	61,984
Expenditures.....	1,150	1,150	64	-	1,086
TOTAL.....	108,917	108,917	45,847	-	63,070
OUTSIDE PROFESSIONAL SERVICES					
Expenditures.....	49,004	49,004	37,246	-	11,758
MASS HOUSING PARTNERSHIP					
Expenditures.....	15,000	15,000	14,983	-	17
HOUSING AUTHORITY					
Expenditures.....	10,000	10,000	9,360	-	640
OFFICE COMMUNICATIONS					
Expenditures.....	125,000	125,000	124,489	-	511
TRAINING					
Expenditures.....	6,750	6,750	6,600	-	150
CHARTER COMMISSION					
Expenditures.....	25,000	25,000	12,622	-	12,378
Total General Government.....	2,900,264	2,918,464	2,687,636	23,635	207,193

(Continued)

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

FISCAL YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance To Final Budget
	Original Budget	Final Budget			
PUBLIC SAFETY					
POLICE DEPARTMENT					
Salaries.....	2,850,166	2,850,166	2,803,302	350	46,514
Expenditures.....	219,009	219,009	215,047	120	3,842
TOTAL.....	3,069,175	3,069,175	3,018,349	470	50,356
ANIMAL CONTROL					
Salaries.....	46,453	46,453	45,944	-	509
Expenditures.....	7,500	7,500	5,987	-	1,513
TOTAL.....	53,953	53,953	51,931	-	2,022
CROSSING GUARDS					
Salaries.....	102,280	102,280	93,578	-	8,702
Expenditures.....	4,900	4,900	4,270	-	630
TOTAL.....	107,180	107,180	97,848	-	9,332
FIRE DEPARTMENT					
Salaries.....	2,569,031	2,690,031	2,671,332	-	18,699
Expenditures.....	187,831	187,831	187,787	-	44
TOTAL.....	2,756,862	2,877,862	2,859,119	-	18,743
BUILDING INSPECTION					
Salaries.....	263,809	263,809	242,234	-	21,575
Expenditures.....	33,025	33,025	21,559	-	11,466
TOTAL.....	296,834	296,834	263,793	-	33,041
CIVIL DEFENSE.....	2,000	2,000	806	-	1,194
Total Public Safety.....	6,286,004	6,407,004	6,291,846	470	114,688
EDUCATION					
PUBLIC SCHOOLS					
Salaries and expenditures.....	35,882,601	36,074,440	35,012,827	1,041,499	20,114
BLUE HILLS REGIONAL.....	49,358	49,358	49,358	-	-
Total Education.....	35,931,959	36,123,798	35,062,185	1,041,499	20,114

(Continued)

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

FISCAL YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance To Final Budget
	Original Budget	Final Budget			
PUBLIC WORKS					
DEPARTMENT OF PUBLIC WORKS					
Salaries.....	1,537,733	1,537,733	1,537,695	-	38
Expenditures.....	479,160	479,160	446,930	15,870	16,360
TOTAL.....	2,016,893	2,016,893	1,984,625	15,870	16,398
BUILDING MAINTENANCE					
Expenditures.....	651,559	651,559	627,445	1,079	23,035
MUNICIPAL & SCHOOL FIELD MAINTENANCE					
Expenditures.....	114,000	114,000	92,772	-	21,228
SNOW & ICE					
Expenditures.....	250,000	435,000	420,767	-	14,233
STREET LIGHTING					
Expenditures.....	140,000	140,000	120,592	-	19,408
WASTE/COLLECTION/DISPOSAL					
Expenditures.....	1,155,000	1,155,000	1,154,101	-	899
Total Public Works.....	4,327,452	4,512,452	4,400,302	16,949	95,201
HEALTH AND HUMAN SERVICES					
HEALTH DIVISION					
Salaries.....	206,753	208,353	208,334	-	19
Expenditures.....	8,723	8,723	7,875	-	848
TOTAL.....	215,476	217,076	216,209	-	867
OUTSIDE HEALTH AGENCIES.....	14,316	14,316	12,856	-	1,460
DISABILITY COMMISSION					
Expenditures.....	500	500	-	-	500
COUNCIL ON AGING					
Salaries.....	223,822	223,822	222,500	-	1,322
Expenditures.....	25,285	25,285	23,761	-	1,524
TOTAL.....	249,107	249,107	246,261	-	2,846
YOUTH COMMISSION					
Salaries.....	168,292	205,109	203,085	-	2,024
Expenditures.....	15,234	13,234	12,792	441	1
TOTAL.....	183,526	218,343	215,877	441	2,025
VETERANS SERVICES					
Salaries.....	27,738	27,738	27,007	-	731
Expenditures.....	88,905	88,905	73,838	-	15,067
TOTAL.....	116,643	116,643	100,845	-	15,798
Total Health and Human Services.....	779,568	815,985	792,048	441	23,496

(Continued)

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

FISCAL YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance To Final Budget
	Original Budget	Final Budget			
CULTURE AND RECREATION					
RECREATION					
Salaries.....	256,126	260,126	259,655	-	471
Expenditures.....	37,654	37,654	37,571	-	83
TOTAL.....	293,780	297,780	297,226	-	554
PUBLIC LIBRARY					
Salaries.....	823,797	823,797	760,729	-	63,068
Expenditures.....	219,071	219,071	216,399	2,510	162
Lost Books.....	1,500	1,500	1,343	-	157
TOTAL.....	1,044,368	1,044,368	978,471	2,510	63,387
MEMORIAL DAY					
Expenditures.....	10,350	10,350	7,014	-	3,336
Total Culture and Recreation.....	1,348,498	1,352,498	1,282,711	2,510	67,277
PENSION BENEFITS					
Contributory Pension.....	2,749,246	2,749,246	2,749,246	-	-
Non-Contributory Pension.....	61,613	61,613	38,780	-	22,833
Total Pension Benefits.....	2,810,859	2,810,859	2,788,026	-	22,833
INSURANCE					
General Liability.....	402,000	352,000	325,755	-	26,245
CAPITAL OUTLAY.....	2,413,704	3,210,654	1,964,049	1,237,464	9,141
EMPLOYEE BENEFITS.....	6,795,826	6,888,057	6,408,992	-	479,065
RESERVE FUND.....	625,000	288,000	-	-	288,000
STATE AND COUNTY ASSESSMENTS.....	560,670	560,670	570,404	-	(9,734)
DEBT SERVICE PRINCIPAL.....	3,700,000	3,740,000	3,740,000	-	-
DEBT SERVICE INTEREST.....	1,679,818	1,330,818	1,327,341	-	3,477
TOTAL EXPENDITURES.....	70,561,622	71,311,259	67,641,295	2,322,968	1,346,996
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	(4,112,077)	(4,861,714)	1,249	(2,322,968)	2,539,995
OTHER FINANCING SOURCES (USES):					
Transfers in.....	741,040	1,254,221	1,254,221	-	-
Transfers out.....	(50,000)	(550,000)	(550,000)	-	-
NET CHANGE IN FUND BALANCE.....	(3,421,037)	(4,157,493)	705,470	(2,322,968)	2,539,995
BUDGETARY FUND BALANCE, Beginning of year.....	7,070,674	7,070,674	7,070,674	-	-
BUDGETARY FUND BALANCE, End of year.....	\$ 3,649,637	\$ 2,913,181	\$ 7,776,144	\$ (2,322,968)	\$ 2,539,995

See notes to required supplementary information.

(Concluded)

Retirement System Schedules of Funding Progress and Employer Contributions

The Retirement System Schedule of Funding Progress presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

The Retirement System Schedule of Employer Contributions presents multiyear trend information for required and actual contributions relating to the cost-sharing plan as a whole, of which the Town is one participating employer, as well as the Town's proportionate share of the plan's annual contributions.

NORFOLK COUNTY CONTRIBUTORY RETIREMENT SYSTEM
SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) Entry Age (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
01/01/10	\$ 600,790,835	\$ 1,001,881,055	\$ 401,090,220	60.0%	\$ 223,332,595	179.6%
01/01/08	596,157,147	907,719,124	311,561,977	65.7%	223,814,977	139.2%
01/01/07	533,077,948	855,677,413	322,599,465	62.3%	219,620,865	146.9%
01/01/05	467,186,566	762,900,650	295,714,084	61.2%	196,639,163	150.4%
01/01/03	415,150,776	675,275,257	260,124,481	61.5%	185,281,985	140.4%
01/01/00	371,646,793	533,959,970	162,313,177	69.6%	163,542,978	99.2%
01/01/97	258,771,070	392,463,080	133,692,010	65.9%	126,219,194	105.9%
01/01/93	151,546,609	291,472,940	139,926,331	52.0%	107,482,975	130.2%

The Town's share of the UAAL, as of January 1, 2010, is approximately 6.08%.

See notes to required supplementary information.

NORFOLK COUNTY CONTRIBUTORY RETIREMENT SYSTEM
SCHEDULE OF EMPLOYER CONTRIBUTIONS

Plan Year Ended December 31	System Wide			Town of Westwood	
	Annual Required Contributions	(A) Actual Contributions	Percentage Contributed	(B) Actual Contributions	(B/A) Town's Percentage of System Wide Actual Contributions
2012	\$ 42,714,639	\$ 42,714,639	100%	\$ 2,749,247	6.44%
2011	41,206,587	41,206,587	100%	2,619,736	6.36%
2010	39,749,857	39,749,857	100%	2,417,220	6.08%
2009	38,920,499	38,920,499	100%	2,329,423	5.99%
2008	33,104,903	33,104,903	100%	2,135,190	6.45%
2007	32,877,890	32,877,890	100%	1,852,100	5.63%
2006	31,755,708	31,755,708	100%	1,810,830	5.70%
2005	28,238,996	28,238,996	100%	1,590,774	5.63%

The Town's Actual Contributions equaled 100% of its Required Contributions for each year presented.

See notes to required supplementary information.

Other Postemployment Benefits Plan Schedules

The Schedule of Funding progress compares, over time, the actuarial accrued liability for benefits with the actuarial value of accumulated plan assets.

The Schedule of Employer Contributions compares, overtime, the Annual Required Contributions to the Actual Contributions made.

The Schedule of Actuarial Methods and Assumptions presents factors that significantly affect the identification of trends in the amounts reported.

OTHER POSTEMPLOYMENT BENEFITS PLAN
SCHEDULE OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) Projected Unit Credit (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
6/30/2011	\$ -	\$ 59,054,291	\$ 59,054,291	0%	\$ 37,620,046	157.0%
6/30/2009	-	49,334,499	49,334,499	0%	39,100,816	126.2%
7/1/2006	-	53,091,156	53,091,156	0%	29,437,171	180.4%

Schedule of Employer Contributions

Fiscal Year Ended	Annual Required Contribution	Actual Contributions Made	Percentage Contributed
2013	\$ 5,143,808	\$ 1,884,014	37%
2012	4,891,733	1,751,826	36%
2011	4,502,956	1,156,674	26%
2010	4,260,901	1,078,212	25%
2009	5,973,531	1,302,000	22%

See notes to required supplementary information.

OTHER POSTEMPLOYMENT BENEFITS PLAN
ACTUARIAL METHODS AND ASSUMPTIONS

Actuarial Methods:

Valuation date.....	June 30, 2011
Actuarial cost method.....	Projected credit unit
Amortization method.....	30 year level percent of pay assuming a 4.0% annual increase, open.
Remaining amortization period.....	28 years as of June 30, 2013

Actuarial Assumptions:

Investment rate of return.....	4.0%, pay-as-you-go scenario
Inflation rate.....	4.0%
Projected salary increases.....	4.0%
Healthcare cost trend rate.....	7.5%, graded to 4.5% over 7 years.

Plan Membership:

Current retirees, beneficiaries, and dependents.....	370
Current active members.....	<u>629</u>
Total.....	<u><u>999</u></u>

See notes to required supplementary information.

NOTE A – BUDGETARY BASIS OF ACCOUNTING1. Budgetary Information

Municipal Law requires the Town to adopt a balanced budget that is approved by Town Meeting. The Finance Committee presents an annual budget to Town Meeting, which includes estimates of revenues and other financing sources and recommendations of expenditures and other financing uses. The Town Meeting, which has full authority to amend and/or reject the budget or any line item, adopts the expenditure budget by majority vote.

Increases or transfers between and within departments subsequent to the approval of the annual budget, requires majority Special Town Meeting approval via a special article.

The majority of the Town's appropriations are non-continuing which lapse at the end of each fiscal year. Others are continuing appropriations for which the governing body has authorized that an unspent balance from a prior fiscal year be carried forward and made available for spending in the current fiscal year. These carry forwards are included as part of the subsequent fiscal year's original budget.

Generally, expenditures may not exceed the legal level of spending (salaries, expenses and capital) authorized for an appropriation account. However, the Town is statutorily required to pay debt service, regardless of whether such amounts are appropriated. Additionally, expenditures for disasters, natural or otherwise, and final judgments may exceed the level of spending authorized by two-thirds majority vote of Town Meeting.

The Town adopts an annual budget for the General Fund in conformity with the guidelines described above. The original fiscal year 2013 approved budget for the General Fund authorized approximately \$68 million in appropriations and other amounts to be raised and \$2.7 million in encumbrances and appropriations carried over from previous fiscal years. During fiscal year 2013, the Town increased the original budget by \$1.2 million, which was primarily due to fund a \$500,000 transfer to the stabilization fund, \$440,000 in litigation costs for the High School construction project, a \$92,000 transfer to the OPEB fund, and other supplementary appropriations for departmental budgets. The increases were funded through available fund balance and transfers in from Ambulance receipts and other Special Revenue funds.

The Town Accountant's office has the responsibility to ensure that budgetary control is maintained. Budgetary control is exercised through the Town's accounting system.

2. Budgetary - GAAP Reconciliation

For budgetary financial reporting purposes, the Uniform Municipal Accounting System basis of accounting (established by the Commonwealth of Massachusetts (Commonwealth)) is followed, which differs from the GAAP basis of accounting. A reconciliation of budgetary-basis to GAAP-basis results for the General Fund for the fiscal year ended June 30, 2013, is presented below:

Net change in fund balance - budgetary basis.....	\$ 705,470
 <u>Perspective difference:</u>	
Activity of the stabilization fund recorded in the general fund for GAAP.....	508,254
 <u>Basis of accounting differences:</u>	
Net change in recording 60-day receipts accrual.....	(139,881)
Net change in recording tax refunds payable.....	365,019
Net change in expenditure accruals.....	(108,442)
Recognition of revenue for on-behalf payments.....	6,376,355
Recognition of expenditures for on-behalf payments.....	<u>(6,376,355)</u>
 Net change in fund balance - GAAP basis.....	 <u>\$ 1,330,420</u>

3. Appropriation Deficits

During fiscal year 2013, the Town reported appropriation deficits in the state and county assessment budget. This is based on state assessments which are not required to be raised.

NOTE B – PENSION PLAN

The Town contributes to the Norfolk County Contributory Retirement System ("Retirement System"), a cost-sharing, multiple-employer defined benefit pension plan ("Plan") administered by the Norfolk County Retirement Board. The Retirement System provides retirement, disability, and death benefits to members and beneficiaries. Chapter 32 of the MGL assigns authority to establish and amend benefit provisions of the Plan. Plan members are required to contribute to the Retirement System at rates ranging from 5% to 11% of annual covered compensation. The Town is required to pay into the Retirement System its share of the system-wide actuarially determined contribution which is apportioned among the employers based on active covered payroll.

The schedule of funding progress, presented as required supplementary information, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. Additionally, the schedule of employer contributions, presented as required supplementary information, presents multiyear trend information for required and actual contributions relating to the cost-sharing plan as a whole, of which the Town is one participating employer, as well as the Town's proportionate share of the plan's annual contributions. This information is designed to be helpful for understanding the scale of the information presented relative to the Town.

The following actuarial methods and assumptions were used in the Retirement System's most recent actuarial valuation:

Valuation Date..... January 1, 2010
 Actuarial Cost Method..... Entry Age Normal Cost Method
 Amortization Method..... Increasing at 4.5% per year, level dollar for ERI liability for certain units
 Remaining Amortization Period..... 28 years remaining as of January 1, 2010
 Asset Valuation Method..... The actuarial value of assets is determined by projecting the actuarial value of assets as of the beginning of the prior plan year with the assumed rate of return during that year (8.25%) and accounting for deposits and disbursements with interest at the assumed rate of return. An adjustment is then applied to recognize the difference between the actual investment return and expected return over a five year period. This preliminary actuarial value is not allowed to differ from the market value of assets by more than 20%.

Actuarial Assumptions:

Investment rate of return..... 8.25%
 Projected salary increases..... 4.00%
 Cost of living adjustments..... 3.00% of the lesser of the pension amount and \$12,000 per year

Plan Membership:

Retired participants and beneficiaries receiving benefits.....	2,557
Inactive participants.....	2,059
Disabled.....	313
Active participants.....	<u>5,526</u>
Total.....	<u><u>10,455</u></u>

NOTE C – OTHER POSTEMPLOYMENT BENEFITS

The Town administers a single-employer defined benefit healthcare plan (“the Retiree Health Plan”). The plan provides lifetime healthcare for eligible retirees and their spouses through the Town’s health insurance plan, which covers both active and retired members, including teachers.

The Town currently finances its other postemployment benefits (OPEB) on a pay-as-you-go basis. As a result, the funded ratio (actual value of assets expressed as a percentage of the actuarial accrued liability) is 0%. In accordance with Governmental Accounting Standards, the Town has recorded its OPEB cost equal to the actuarial determined annual required contribution (ARC) which includes the normal cost of providing benefits for the year and a component for the amortization of the total unfunded actuarial accrued liability of the plan.

The Schedule of Funding Progress presents multiyear trend information which compares, over time, the actuarial accrued liability for benefits with the actuarial value of accumulated plan assets.

The Schedule of Employer Contributions presents multi-year trend information for required and actual contributions relating to the plan.

Projections of benefits for financial reporting purposes are based on the substantive plan and included the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit cost between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The Schedule of Actuarial Methods and Assumptions presents factors that significantly affect the identification of trends in the amounts reported.

Other Supplementary Information

Combining and Individual Fund Statements and Schedules

The combining financial statements provide a more detailed view of the “Basic Financial Statements” presented in the preceding subsection.

Combining statements are presented when there are more than one fund of a given fund type.

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than permanent funds or major capital project funds) that are restricted by law or administrative action to expenditures for specific purposes. The Town's special revenue funds are grouped into the following categories:

- ***School Lunch Fund*** – accounts for the operations of the public school lunch program.
- ***Ambulance Fund*** – accounts for the fees collected for ambulance services which can legally only be appropriated for costs to provide the service, such as Emergency Medical Technician firefighter stipend and ambulance supplies.
- ***Departmental Grants/Other Revolving Funds*** – accounts for various grants and legally restricted revenues for special programs administered by Town departments.
- ***Educational Grants Funds*** – accounts for all educational programs specially financed by grants and other restricted revenues.
- ***Educational Revolving Funds*** – accounts for educational programs financed by non-grant revenues and gifts.
- ***Expendable Governmental Trusts*** – accounts for contributions where both principal and investment earnings may be spent to support the government.
- ***Highway Improvement Fund*** – accounts for funds received from the State Highway Department which is used for construction, reconstruction and improvements of roadways.

Capital Projects Funds

Capital Projects Funds are used to account for financial resources to be used for the acquisition, construction or improvement of major capital assets (other than those financed by enterprise funds). Such resources are derived principally from proceeds of general obligation bonds and grants. The Town's grouping for non-major capital project funds is as described as follows:

- ***Roadway Improvements*** – accounts for construction, reconstruction and improvements of roadways, streets and sidewalks. Funding is provided primarily by bond proceeds, various grants and legally restricted revenues for special programs administered by Town departments.
- ***School Building Renovations*** – accounts for renovation, improvements and capital equipment associated with public school buildings.
- ***Facilities Renovations*** – accounts for renovation, improvements and capital equipment associated with town buildings and facilities.

Permanent Funds

Permanent Funds are used to account for financial resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs.

- ***Cemetery Fund*** – accounts for contributions associated with cemetery care and maintenance.
- ***Other Nonexpendable Trust Funds*** – accounts for various contributions associated with the public library, schools and veterans services.

**NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET**

JUNE 30, 2013

	Special Revenue Funds							Sub-total
	School Lunch	Ambulance	Departmental Grants/ Other Revolving	Educational Grants	Educational Revolving	Expendable Governmental Trusts	Highway Improvement	
ASSETS								
Cash and cash equivalents.....	\$ 86,927	\$ 794,903	\$ 2,637,542	\$ 819,435	\$ 3,405,187	\$ 104,909	\$ 122,650	\$ 7,971,553
Investments.....	-	-	-	-	-	-	-	-
Receivables, net of uncollectibles:								
Departmental and other.....	-	124,223	-	-	-	-	-	124,223
Intergovernmental.....	-	-	-	-	-	-	808,244	808,244
TOTAL ASSETS.....	<u>\$ 86,927</u>	<u>\$ 919,126</u>	<u>\$ 2,637,542</u>	<u>\$ 819,435</u>	<u>\$ 3,405,187</u>	<u>\$ 104,909</u>	<u>\$ 930,894</u>	<u>\$ 8,904,020</u>
LIABILITIES AND FUND BALANCES								
LIABILITIES:								
Warrants payable.....	\$ 4,799	\$ -	\$ 57,774	\$ 27,027	\$ 60,650	\$ -	\$ -	\$ 150,250
Deferred revenues.....	-	124,223	-	-	-	-	808,244	932,467
TOTAL LIABILITIES.....	<u>4,799</u>	<u>124,223</u>	<u>57,774</u>	<u>27,027</u>	<u>60,650</u>	<u>-</u>	<u>808,244</u>	<u>1,082,717</u>
FUND BALANCES:								
Nonspendable.....	-	-	-	-	-	-	-	-
Restricted.....	82,128	794,903	2,579,768	792,408	3,344,537	104,909	122,650	7,821,303
TOTAL FUND BALANCES.....	<u>82,128</u>	<u>794,903</u>	<u>2,579,768</u>	<u>792,408</u>	<u>3,344,537</u>	<u>104,909</u>	<u>122,650</u>	<u>7,821,303</u>
TOTAL LIABILITIES AND FUND BALANCES...	<u>\$ 86,927</u>	<u>\$ 919,126</u>	<u>\$ 2,637,542</u>	<u>\$ 819,435</u>	<u>\$ 3,405,187</u>	<u>\$ 104,909</u>	<u>\$ 930,894</u>	<u>\$ 8,904,020</u>

(Continued)

Capital Projects Funds				Permanent Funds			Total Nonmajor Governmental Funds
Roadway Improvements	School Building Renovations	Facilities Renovations	Sub-total	Cemetery	Other Nonexpendable Trust Funds	Sub-total	
\$ 1,013,740	\$ 68,030	\$ 261,014	\$ 1,342,784	\$ 356,034	\$ 177,969	\$ 534,003	\$ 9,848,340
-	-	-	-	-	15,723	15,723	15,723
-	-	-	-	-	-	-	124,223
-	-	-	-	-	-	-	808,244
<u>\$ 1,013,740</u>	<u>\$ 68,030</u>	<u>\$ 261,014</u>	<u>\$ 1,342,784</u>	<u>\$ 356,034</u>	<u>\$ 193,692</u>	<u>\$ 549,726</u>	<u>\$ 10,796,530</u>
\$ -	\$ 32,338	\$ -	\$ 32,338	\$ -	\$ -	\$ -	\$ 182,588
-	-	-	-	-	-	-	932,467
-	32,338	-	32,338	-	-	-	1,115,055
-	-	-	-	345,833	10,201	356,034	356,034
1,013,740	35,692	261,014	1,310,446	10,201	183,491	193,692	9,325,441
1,013,740	35,692	261,014	1,310,446	356,034	193,692	549,726	9,681,475
<u>\$ 1,013,740</u>	<u>\$ 68,030</u>	<u>\$ 261,014</u>	<u>\$ 1,342,784</u>	<u>\$ 356,034</u>	<u>\$ 193,692</u>	<u>\$ 549,726</u>	<u>\$ 10,796,530</u>

(Concluded)

NONMAJOR GOVERNMENTAL FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

FISCAL YEAR ENDED JUNE 30, 2013

	Special Revenue Funds							Sub-total
	School Lunch	Ambulance	Departmental Grants/ Other Revolving	Educational Grants	Educational Revolving	Expendable Governmental Trusts	Highway Improvement	
REVENUES:								
Charges for services.....	\$ 862,548	\$ 535,571	\$ 730,022	\$ -	\$ 2,444,072	\$ -	\$ -	\$ 4,572,213
Intergovernmental.....	134,073	-	61,274	2,095,458	-	-	-	2,290,805
Departmental and other.....	-	-	718,088	-	-	-	-	718,088
Contributions.....	-	-	133,588	-	74,595	-	-	208,183
Investment income.....	-	-	-	-	-	172	-	172
TOTAL REVENUES.....	996,621	535,571	1,642,972	2,095,458	2,518,667	172	-	7,789,461
EXPENDITURES:								
Current:								
General government.....	-	-	449,607	-	-	-	-	449,607
Public safety.....	-	-	144,902	-	-	-	-	144,902
Education.....	1,052,880	-	-	2,132,337	2,363,832	-	-	5,549,049
Public works.....	-	-	7,887	-	-	-	-	7,887
Human services.....	-	-	48,821	-	-	-	-	48,821
Culture and recreation.....	-	-	696,747	-	-	-	-	696,747
TOTAL EXPENDITURES.....	1,052,880	-	1,347,964	2,132,337	2,363,832	-	-	6,897,013
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(56,259)	535,571	295,008	(36,879)	154,835	172	-	892,448
OTHER FINANCING SOURCES (USES):								
Proceeds from bonds and notes.....	-	-	-	-	-	-	-	-
Sale of capital assets.....	-	-	290,000	-	-	-	-	290,000
Transfers out.....	-	(589,450)	(363,793)	-	-	-	-	(953,243)
TOTAL OTHER FINANCING SOURCES (USES)...	-	(589,450)	(73,793)	-	-	-	-	(663,243)
NET CHANGE IN FUND BALANCES.....	(56,259)	(53,879)	221,215	(36,879)	154,835	172	-	229,205
FUND BALANCES AT BEGINNING OF YEAR.....	138,387	848,782	2,358,553	829,287	3,189,702	104,737	122,650	7,592,098
FUND BALANCES AT END OF YEAR.....	\$ 82,128	\$ 794,903	\$ 2,579,768	\$ 792,408	\$ 3,344,537	\$ 104,909	\$ 122,650	\$ 7,821,303

(Continued)

Capital Projects Funds				Permanent Funds			Total Nonmajor Governmental Funds
Roadway Improvements	School Building Renovations	Facilities Renovations	Sub-total	Cemetery	Other Nonexpendable Trust Funds	Sub-total	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,572,213
-	-	-	-	-	-	-	2,290,805
-	-	-	-	-	-	-	718,088
-	-	-	-	9,100	-	9,100	217,283
-	-	-	-	900	2,030	2,930	3,102
-	-	-	-	10,000	2,030	12,030	7,801,491
-	-	1,279	1,279	-	-	-	450,886
-	-	-	-	-	-	-	144,902
-	985,862	-	985,862	-	-	-	6,534,911
890,432	-	1,732,796	2,623,228	-	-	-	2,631,115
-	-	-	-	-	-	-	48,821
-	-	1,200	1,200	-	741	741	698,688
890,432	985,862	1,735,275	3,611,569	-	741	741	10,509,323
(890,432)	(985,862)	(1,735,275)	(3,611,569)	10,000	1,289	11,289	(2,707,832)
1,500,000	935,000	2,200,000	4,635,000	-	-	-	4,635,000
-	-	-	-	-	-	-	290,000
-	-	-	-	-	(10,000)	(10,000)	(963,243)
1,500,000	935,000	2,200,000	4,635,000	-	(10,000)	(10,000)	3,961,757
609,568	(50,862)	464,725	1,023,431	10,000	(8,711)	1,289	1,253,925
404,172	86,554	(203,711)	287,015	346,034	202,403	548,437	8,427,550
\$ 1,013,740	\$ 35,692	\$ 261,014	\$ 1,310,446	\$ 356,034	\$ 193,692	\$ 549,726	\$ 9,681,475

(Concluded)

Agency Fund

The Agency Fund is used to account for assets held in a purely custodial capacity. The Town's agency fund consists primarily of student activities and planning deposits.

AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>July 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2013</u>
ASSETS				
Cash and cash equivalents.....	\$ 779,338	\$ 1,047,728	\$ (1,132,996)	\$ 694,070
Receivables, net of allowance for uncollectibles:				
Departmental and other.....	<u>48,902</u>	<u>521,892</u>	<u>(490,561)</u>	<u>80,233</u>
TOTAL ASSETS.....	\$ <u>828,240</u>	\$ <u>1,569,620</u>	\$ <u>(1,623,557)</u>	\$ <u>774,303</u>
LIABILITIES				
Warrants payable.....	\$ -	\$ 1,015	\$ -	\$ 1,015
Liabilities due depositors - Student Activities.....	232,658	516,334	(547,642)	201,350
Liabilities due depositors - Planning Deposits.....	<u>595,582</u>	<u>1,052,271</u>	<u>(1,075,915)</u>	<u>571,938</u>
TOTAL LIABILITIES.....	\$ <u>828,240</u>	\$ <u>1,569,620</u>	\$ <u>(1,623,557)</u>	\$ <u>774,303</u>

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Statistical Section

*Ten Year History of the Following
Major Categories:*

Expenditures

Revenues

Property Tax Collections

Debt

Town Demographics and Economic Information

General Information



Westwood Town Hall

Statistical Section

This part of the Town of Westwood comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Town's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the Town's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.

SOURCES: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Town of Westwood, Massachusetts

Net Position By Component

Last Ten Fiscal Years

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental activities:										
Invested in capital assets.....	\$ 92,686,112	\$ 95,230,650	\$ 98,408,025	\$ 98,291,275	\$ 98,219,632	\$ 97,986,113	\$ 97,375,492	\$ 99,380,376	\$ 99,367,799	\$ 96,462,678
Restricted.....	2,396,038	2,040,497	1,964,324	2,460,440	2,422,271	2,591,376	2,172,033	1,735,851	1,878,233	1,806,455
Unrestricted.....	8,079,192	6,906,276	7,056,149	6,676,163	8,255,277	4,689,882	2,354,269	1,827,050	60,536	(125,175)
Total governmental activities net position.....	\$ 103,161,342	\$ 104,177,423	\$ 107,428,498	\$ 107,427,878	\$ 108,897,180	\$ 105,267,371	\$ 101,901,794	\$ 102,943,277	\$ 101,306,568	\$ 98,143,958
Business-type activities:										
Invested in capital assets, net of related debt.....	12,576,170	13,031,429	13,291,362	13,471,826	13,521,282	13,678,560	13,318,644	12,998,106	12,371,623	12,309,207
Unrestricted.....	3,674,751	3,125,801	3,151,996	3,067,928	3,813,896	3,620,615	3,871,320	4,228,836	4,558,778	4,072,081
Total business-type activities net position.....	\$ 16,250,921	\$ 16,157,230	\$ 16,443,358	\$ 16,539,754	\$ 17,335,178	\$ 17,299,175	\$ 17,189,964	\$ 17,226,942	\$ 16,930,401	\$ 16,381,288
Primary government:										
Invested in capital assets.....	105,262,282	108,262,079	111,699,387	111,763,101	111,740,914	111,664,673	110,694,136	112,378,482	111,739,422	108,771,885
Restricted.....	2,396,038	2,040,497	1,964,324	2,460,440	2,422,271	2,591,376	2,172,033	1,735,851	1,878,233	1,806,455
Unrestricted.....	11,753,943	10,032,077	10,208,145	9,744,091	12,069,173	8,310,497	6,225,589	6,055,886	4,619,314	3,946,906
Total primary government net position.....	\$ 119,412,263	\$ 120,334,653	\$ 123,871,856	\$ 123,967,632	\$ 126,232,358	\$ 122,566,546	\$ 119,091,758	\$ 120,170,219	\$ 118,236,969	\$ 114,525,246

Town of Westwood, Massachusetts

Changes in Net Position

Last Ten Fiscal Years

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses										
Governmental activities:										
General government.....	\$ 3,635,830	\$ 3,637,013	\$ 4,050,919	\$ 6,876,348	\$ 8,392,072	\$ 7,984,596	\$ 4,745,598	\$ 4,670,650	\$ 5,135,899	\$ 6,151,299
Public safety.....	6,932,516	6,788,670	6,681,974	7,571,002	7,851,039	8,778,769	8,490,129	8,969,089	9,391,010	9,735,929
Education.....	33,726,237	37,194,249	40,436,635	41,522,952	45,462,795	52,088,397	52,200,467	52,489,520	54,472,071	57,774,167
Public works.....	6,497,815	7,106,772	6,870,792	6,025,150	7,193,036	7,037,271	7,425,668	7,472,604	7,204,025	8,351,807
Human services.....	686,770	769,618	676,238	844,529	833,985	942,357	1,052,991	1,047,144	1,157,238	1,218,894
Culture and recreation.....	1,660,585	1,714,349	1,476,621	1,880,631	1,880,631	2,468,819	2,378,042	2,371,894	2,386,859	2,801,155
Interest.....	2,887,074	2,280,112	2,115,474	1,966,558	1,983,060	1,692,305	1,750,493	1,475,733	1,542,158	1,216,381
Total government activities expenses.....	56,026,827	59,490,783	62,308,653	66,687,170	74,092,781	80,992,514	78,043,388	78,496,634	81,289,260	87,249,632
Business-type activities:										
Sewer.....	3,346,728	3,670,564	3,472,503	3,944,791	3,734,283	3,761,813	3,670,498	3,653,546	4,149,346	3,913,703
Total primary government expenses.....	\$ 59,373,555	\$ 63,161,347	\$ 65,781,156	\$ 70,631,961	\$ 77,827,064	\$ 84,754,327	\$ 81,713,886	\$ 82,150,180	\$ 85,438,606	\$ 91,163,335
Program Revenues										
Governmental activities:										
Education charges for services.....	\$ 1,362,860	\$ 1,570,591	\$ 2,266,074	\$ 2,281,378	\$ 2,448,952	\$ 2,187,026	\$ 2,360,978	\$ 2,364,662	\$ 2,455,709	\$ 2,444,072
Public Safety charges for services.....	824,255	1,117,709	978,855	1,032,522	1,208,295	1,282,996	1,064,513	1,217,831	1,177,994	1,414,033
Other charges for services.....	745,324	897,929	1,674,457	4,098,574	5,601,007	4,866,297	1,810,492	1,705,581	1,901,613	3,358,796
Operating grants and contributions.....	10,228,691	10,538,810	11,286,009	11,341,858	13,597,090	15,435,834	14,179,816	14,570,871	14,155,121	14,617,337
Capital grant and contributions.....	10,228,896	206,689	3,890,753	255,834	405,154	404,240	416,865	2,752,205	1,110,679	682,003
Total government activities program revenues.....	23,390,026	14,331,728	20,096,148	19,010,166	23,260,498	24,176,393	19,832,664	22,611,150	20,801,116	22,516,241
Business-type activities:										
Charges for services.....	3,657,703	3,402,779	3,682,473	3,788,725	4,276,856	3,623,588	3,756,083	3,895,027	3,677,221	3,525,289
Operating grants and contributions.....	114,779	174,094	76,158	72,022	200,163	54,547	-	45,563	31,638	85,164
Capital grant and contributions.....	-	-	-	-	52,688	47,675	96,182	40,912	222,624	45,115
Total business-type activities program revenues.....	3,772,482	3,576,873	3,758,631	3,860,747	4,529,707	3,725,810	3,852,265	3,981,502	3,931,483	3,655,568
Total primary government program revenues.....	\$ 27,162,508	\$ 17,908,601	\$ 23,854,779	\$ 22,870,913	\$ 27,790,205	\$ 27,902,203	\$ 23,684,929	\$ 26,592,652	\$ 24,732,599	\$ 26,171,809
Net (Expense)/Program Revenue										
Governmental activities.....	\$ (30,677,590)	\$ (43,199,844)	\$ (40,253,294)	\$ (47,677,004)	\$ (50,832,283)	\$ (56,816,121)	\$ (58,210,724)	\$ (55,884,484)	\$ (60,488,144)	\$ (64,733,391)
Business-type activities.....	425,754	(93,691)	286,128	96,396	795,424	(36,003)	181,767	327,956	(5,563)	(258,135)
Total primary government net (expense)/program revenue.....	\$ (30,251,836)	\$ (43,293,535)	\$ (39,967,166)	\$ (47,580,608)	\$ (50,036,859)	\$ (56,852,124)	\$ (58,028,957)	\$ (55,556,528)	\$ (60,493,707)	\$ (64,991,526)
General Revenues and other Changes in Net Position										
Governmental activities:										
Real estate and personal property taxes, net of tax refunds payable.....	\$ 42,923,460	\$ 42,580,416	\$ 41,634,700	\$ 43,748,150	\$ 48,295,949	\$ 49,761,536	\$ 51,462,011	\$ 53,365,772	\$ 55,088,302	\$ 57,531,776
Motor vehicle excise taxes.....	2,167,086	2,401,439	2,226,361	2,138,434	2,245,316	2,164,294	2,152,241	2,408,095	2,335,495	2,591,759
Penalties and interest on taxes.....	109,524	80,853	55,045	67,239	96,970	96,949	105,602	122,486	264,092	180,465
Grants and contributions not restricted to specific programs.....	700,468	703,263	789,487	945,762	962,617	882,855	723,159	647,232	748,294	639,972
Unrestricted investment income.....	494,065	402,355	688,030	707,268	615,900	280,678	111,156	91,404	74,274	45,831
Gain of sale of capital assets.....	-	-	-	-	-	-	-	-	50,000	290,000
Miscellaneous.....	511,355	6,810	69,957	69,531	84,833	-	-	-	-	-
Transfers.....	-	-	-	-	-	-	290,978	290,978	290,978	290,978
Total governmental activities.....	46,905,958	46,175,136	45,463,580	47,676,384	52,301,585	53,186,312	54,845,147	56,925,967	58,851,435	61,570,781
Business-type activities:										
Transfers.....	-	-	-	-	-	-	(290,978)	(290,978)	(290,978)	(290,978)
Total primary government general revenues and other changes in net position.....	\$ 46,905,958	\$ 46,175,136	\$ 45,463,580	\$ 47,676,384	\$ 52,301,585	\$ 53,186,312	\$ 54,554,169	\$ 56,634,989	\$ 58,560,457	\$ 61,279,803
Changes in Net Position										
Governmental activities.....	\$ 16,228,368	\$ 2,975,292	\$ 5,210,286	\$ (620)	\$ 1,469,302	\$ (3,629,809)	\$ (3,365,577)	\$ 1,041,483	\$ (1,636,709)	\$ (3,162,610)
Business-type activities.....	425,754	(93,691)	286,128	96,396	795,424	(36,003)	(109,211)	36,978	(296,541)	(549,113)
Total primary government changes in net position.....	\$ 16,654,122	\$ 2,881,601	\$ 5,496,414	\$ 95,776	\$ 2,264,726	\$ (3,665,812)	\$ (3,474,788)	\$ 1,078,461	\$ (1,933,250)	\$ (3,711,723)

Town of Westwood, Massachusetts
Fund Balances, Governmental Funds
Last Ten Fiscal Years

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund										
Committed.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 850,479	\$ 1,518,171	\$ 1,237,464
Assigned.....	1,363,820	919,078	545,225	795,859	1,041,648	1,450,831	1,855,781	1,350,412	1,172,866	1,085,504
Unassigned.....	<u>3,576,642</u>	<u>2,845,975</u>	<u>3,111,460</u>	<u>2,383,588</u>	<u>3,148,155</u>	<u>2,939,926</u>	<u>2,347,670</u>	<u>4,568,530</u>	<u>5,550,222</u>	<u>7,248,711</u>
Total general fund.....	<u>\$ 4,940,462</u>	<u>\$ 3,765,053</u>	<u>\$ 3,656,685</u>	<u>\$ 3,179,447</u>	<u>\$ 4,189,803</u>	<u>\$ 4,390,757</u>	<u>\$ 4,203,451</u>	<u>\$ 6,769,421</u>	<u>\$ 8,241,259</u>	<u>\$ 9,571,679</u>
All Other Governmental Funds										
Reserved.....	\$ 260,154	\$ 264,878	\$ 276,663	\$ 292,110	\$ 300,298	\$ 314,274	\$ 325,949	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds.....	5,275,639	5,113,969	5,513,725	5,402,561	6,408,669	6,945,755	6,867,072	-	-	-
Capital projects funds.....	6,064,002	(687,108)	736,508	(686,881)	1,661,627	4,536,063	1,356,217	-	-	-
Permanent funds.....	219,535	96,550	104,165	205,104	214,874	210,544	200,920	-	-	-
Nonspendable.....	-	-	-	-	-	-	-	346,050	346,034	356,034
Restricted.....	-	-	-	-	-	-	-	17,769,174	11,829,474	9,886,170
Total all other governmental funds....	<u>\$ 11,819,330</u>	<u>\$ 4,788,289</u>	<u>\$ 6,631,061</u>	<u>\$ 5,212,894</u>	<u>\$ 8,585,468</u>	<u>\$ 12,006,636</u>	<u>\$ 8,750,158</u>	<u>\$ 18,115,224</u>	<u>\$ 12,175,508</u>	<u>\$ 10,242,204</u>

The Town implemented GASB 54 in fiscal 2011, fund balances prior to fiscal year 2011 have been reported in the pre-GASB 54 format.

Town of Westwood, Massachusetts

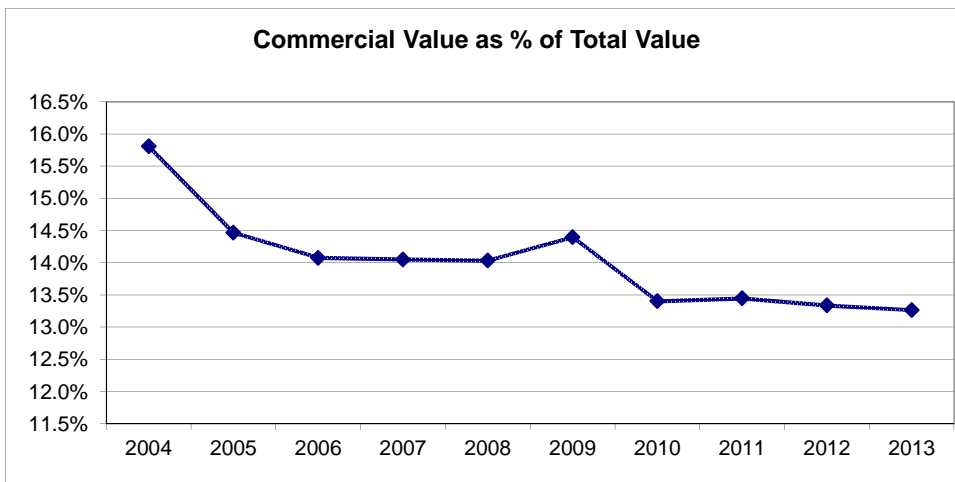
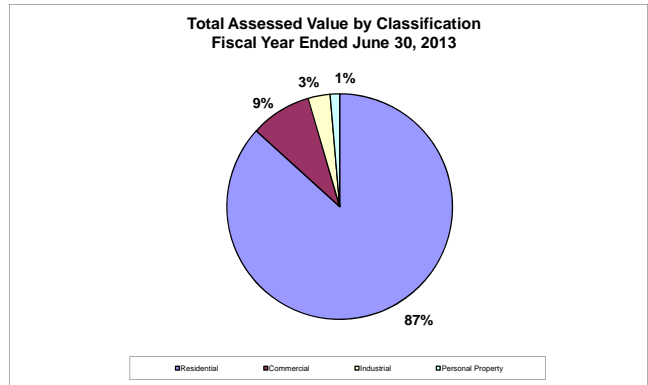
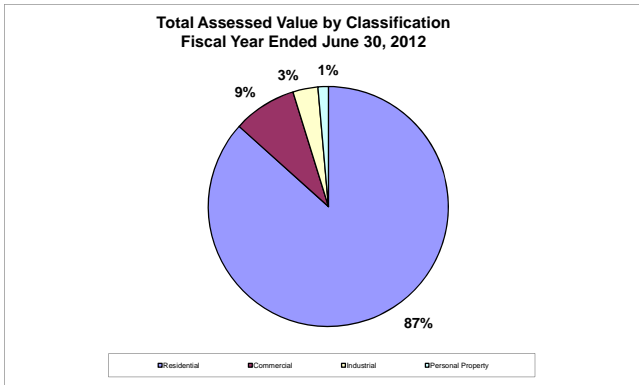
Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues:										
Real estate and personal property taxes, net of tax refunds.....	\$ 42,985,534	\$ 42,597,265	\$ 41,656,689	\$ 43,390,323	\$ 48,329,364	\$ 49,655,987	\$ 50,545,249	\$ 53,892,828	\$ 54,944,965	\$ 57,528,131
Motor vehicle excise taxes.....	2,273,692	2,309,888	2,298,852	2,135,754	2,213,371	2,242,922	2,131,252	2,382,329	2,274,492	2,396,286
Charges for Service.....	2,651,950	3,117,619	3,935,558	4,126,579	4,391,067	4,366,363	4,671,063	4,588,668	4,798,942	4,572,213
University Station guaranteed tax payment.....	-	-	-	-	-	1,750,000	615,000	-	-	-
University Station building permits.....	-	-	-	-	-	811,079	-	-	-	-
Penalties and interest on taxes.....	109,524	80,853	55,045	67,239	96,970	96,949	105,602	122,486	264,092	180,465
Fees and rentals.....	193,562	139,377	159,315	310,687	279,096	251,898	233,430	277,895	521,268	308,533
Licenses and permits.....	390,896	488,924	563,180	438,345	479,822	378,525	403,405	473,966	456,436	658,179
Fines and forfeitures.....	20,103	19,535	20,233	20,030	16,825	16,982	17,521	15,120	12,937	10,940
Intergovernmental.....	9,278,949	11,003,129	18,939,179	14,204,828	15,026,293	15,663,177	15,877,013	18,448,749	17,766,084	15,300,737
Departmental and other.....	315,548	510,053	423,943	989,160	1,130,706	962,412	522,101	630,779	898,592	2,574,348
Departmental and other - University Station.....	-	-	695,000	2,214,230	3,853,037	2,508,971	424,882	168,734	-	-
Special assessments.....	2,279	2,196	227	219	94	91	-	-	-	-
Contributions.....	292,751	198,012	278,475	209,027	1,232,407	257,657	293,161	256,741	224,819	217,283
Investment income.....	526,102	462,815	737,541	875,775	788,518	318,376	121,794	99,361	78,741	53,292
Total Revenue.....	59,040,890	60,929,666	69,763,237	68,982,196	77,837,570	79,281,389	75,961,473	81,357,656	82,241,368	83,800,407
Expenditures:										
General government.....	2,375,437	2,325,420	2,198,819	2,733,190	2,650,320	3,496,046	2,670,152	2,786,584	3,344,297	2,946,533
General government - University Station.....	-	-	573,703	2,758,642	4,438,354	2,328,458	458,553	190,298	59,244	1,310,832
Public safety.....	5,553,718	5,319,769	5,532,508	5,864,064	6,028,392	6,152,929	5,920,912	6,263,893	6,416,397	6,569,032
Education.....	27,272,432	29,837,234	31,290,271	32,129,154	34,626,723	36,684,935	37,717,356	37,617,989	38,925,806	41,347,249
Public works.....	3,826,652	4,371,327	4,160,299	3,259,828	4,365,544	3,672,775	4,178,898	4,130,176	3,807,414	4,577,562
Human services.....	553,891	591,063	542,579	679,913	677,563	685,177	788,912	754,398	811,561	840,202
Culture and recreation.....	1,387,503	1,426,902	1,226,874	1,607,006	2,097,742	2,079,125	1,969,701	1,931,934	1,930,615	1,982,066
Pension benefits.....	4,914,630	5,532,520	6,087,190	6,521,911	6,705,488	7,294,027	7,557,081	8,065,476	8,708,603	9,164,381
Property and liability insurance.....	273,966	298,824	324,298	335,255	371,053	317,418	278,318	271,221	291,839	325,755
Employee benefits.....	3,073,485	3,318,828	3,962,780	4,349,031	4,788,339	5,323,520	5,453,428	5,616,358	5,624,542	6,455,097
State and MWRA assessments.....	513,867	496,131	496,993	508,634	514,316	521,780	536,238	539,989	531,795	570,404
Capital outlay.....	19,309,906	8,895,320	5,327,301	4,163,245	3,920,736	4,367,254	6,093,652	5,167,049	10,196,200	8,462,813
Debt service:										
Principal.....	4,028,000	4,415,000	4,165,000	4,165,000	4,165,000	4,515,000	4,295,000	4,290,000	4,810,000	3,740,000
Interest.....	3,258,430	2,307,778	2,140,218	1,988,350	1,959,070	1,810,846	1,778,034	1,609,598	1,696,931	1,327,341
Total Expenditures.....	76,341,917	69,136,116	68,028,833	71,063,223	77,308,640	79,249,290	79,696,235	79,234,963	87,155,244	89,619,267
Excess of revenues over (under) expenditures.....	(17,301,027)	(8,206,450)	1,734,404	(2,081,027)	528,930	32,099	(3,734,762)	2,122,693	(4,913,876)	(5,818,860)
Other Financing Sources (Uses)										
Issuance of debt.....	2,262,000	-	-	-	3,830,000	3,500,000	-	9,300,000	-	4,635,000
Issuance of debt refunding.....	-	-	-	-	-	-	-	-	19,095,000	-
Premium from issuance of refunding bonds.....	-	-	-	-	-	-	-	-	2,274,135	-
Payments to refunded bond escrow agents.....	-	-	-	-	-	-	-	-	(21,375,114)	-
Premium from issuance of bonds.....	511,354	-	-	-	-	90,023	-	217,365	110,997	-
Sale of capital assets.....	-	-	-	-	-	-	-	-	50,000	290,000
Capital lease financing.....	428,846	-	-	185,622	24,000	-	-	-	-	-
Transfers in.....	1,197,433	1,523,180	543,198	433,671	535,221	676,859	1,598,609	790,140	814,165	1,254,221
Transfers out.....	(1,197,433)	(1,523,180)	(543,198)	(433,671)	(535,221)	(676,859)	(1,307,631)	(499,162)	(523,187)	(963,243)
Total other financing sources (uses).....	3,202,200	-	-	185,622	3,854,000	3,590,023	290,978	9,808,343	445,996	5,215,978
Net change in fund balance.....	\$ (14,098,827)	\$ (8,206,450)	\$ 1,734,404	\$ (1,895,405)	\$ 4,382,930	\$ 3,622,122	\$ (3,443,784)	\$ 11,931,036	\$ (4,467,880)	\$ (602,882)
Debt service as a percentage of noncapital expenditures.....	12.78%	11.16%	10.06%	9.20%	8.34%	8.45%	8.25%	7.97%	8.46%	6.24%

Town of Westwood, Massachusetts
Assessed Value and Actual Value of Taxable Property by Classification and Tax Rates
Last Ten Fiscal Years

Fiscal Year	Assessed and Actual Values and Tax Rates									
	Residential Value	Residential Tax Rate	Commercial Value	Industrial Value	Personal Property	Total Commercial Value	Commercial Tax Rate	Commercial % of Total Value	Direct Tax Rate	Total Town Value
2004	\$2,485,356,400	\$12.96	\$220,942,100	\$190,054,500	\$55,705,658	\$466,702,258	\$23.36	15.8%	\$14.60	\$2,952,058,658
2005	\$2,777,182,391	\$11.97	\$257,451,131	\$175,306,750	\$36,935,683	\$469,693,564	\$20.97	14.5%	\$13.27	\$3,246,875,955
2006 (1)	\$3,135,347,507	\$10.37	\$270,425,345	\$192,667,650	\$50,618,745	\$513,711,740	\$18.85	14.1%	\$11.56	\$3,649,059,247
2007	\$3,147,514,446	\$10.73	\$271,807,104	\$190,849,800	\$51,962,800	\$514,619,704	\$19.81	14.1%	\$12.01	\$3,662,134,150
2008	\$3,175,772,814	\$11.74	\$272,818,535	\$193,747,600	\$51,955,500	\$518,521,635	\$21.67	14.0%	\$13.13	\$3,694,294,449
2009 (1)	\$3,197,768,457	\$12.01	\$325,730,795	\$164,387,500	\$47,764,400	\$537,882,695	\$22.25	14.4%	\$13.48	\$3,735,651,152
2010	\$3,088,616,907	\$13.07	\$313,502,764	\$116,181,450	\$48,381,800	\$478,066,014	\$23.98	13.4%	\$14.53	\$3,566,682,921
2011	\$3,014,069,261	\$13.83	\$303,956,394	\$111,888,000	\$52,502,700	\$468,347,094	\$25.38	13.4%	\$15.38	\$3,482,416,355
2012 (1)	\$3,019,444,695	\$14.48	\$298,952,742	\$116,563,050	\$49,223,000	\$464,738,792	\$26.55	13.3%	\$16.09	\$3,484,183,487
2013	\$3,025,447,435	\$14.89	\$305,246,315	\$110,035,850	\$47,438,500	\$462,720,665	\$27.28	13.3%	\$16.53	\$3,488,168,100



(1) Revaluation year.
 Source: Assessor's Department, Town of Westwood
 All property in the Commonwealth of Massachusetts is assessed at 100% of fair cash value.

Note: Chapter 59, Section 21C of the Massachusetts General Laws, known as "Proposition 2 1/2", imposes 2 separate limits on the annual tax levy of the Town. The primary limitation is that the tax levy cannot exceed 2 1/2 percent of the full and fair cash value. The secondary limitation is that the tax levy cannot exceed the maximum levy limit for the preceding fiscal year as determined by the State Commissioner of Revenue by more than 2 1/2 percent, subject to an exception for property added to the tax rolls and for certain substantial valuation increases other than as part of a general revaluation. The secondary limit may be exceeded in any year by a majority vote of the voters, however it cannot exceed the primary limitation.

Town of Westwood, Massachusetts

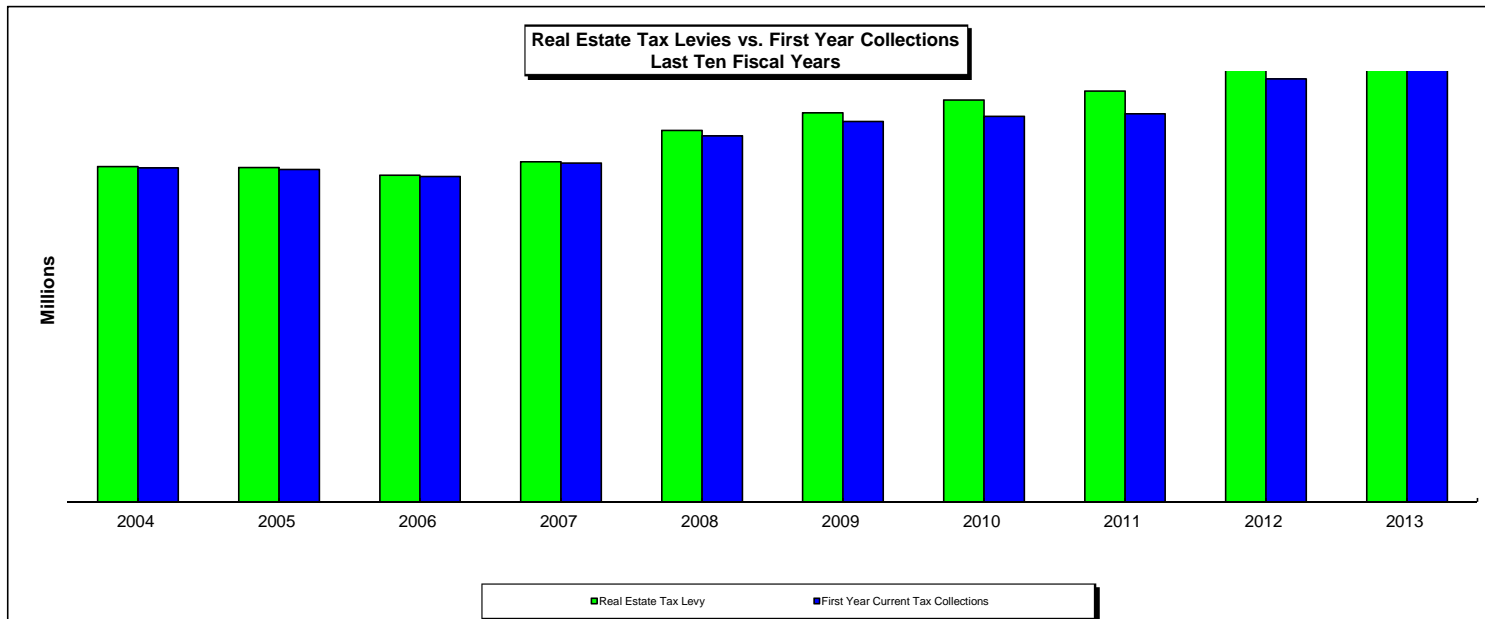
Principal Taxpayers

Current Year and Nine Years Ago

Name	Nature of Business	2013			2004		
		Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
Westwood Marketplace Holdings	Office Building/Warehouse	\$ 83,655,000	1	3.9%	-	-	-
Foxhill Village Homeowner Corp.	Residential Community	\$ 80,112,200	2	2.2%	\$ 81,095,000	1	2.6%
Medical Information Tech Inc.	Office Building/Medical Info	\$ 47,530,400	3	2.2%	\$ 50,161,000	3	2.8%
Nstar Electric Company	Office Building	\$ 47,044,800	4	2.2%	-	-	-
GR-Highland/Westwood Glen LP	Residential Community	\$ 44,832,850	5	1.2%	-	-	-
L&B CIP 690 Canton St LLC	Office/Research & Development	\$ 17,758,700	6	0.8%	-	-	-
Metropolitan Life Insurance Co.	Office Building	\$ 15,861,100	7	0.8%	-	-	-
Fairlane Westwood LLC	Office Building	\$ 11,312,500	8	0.5%	-	-	-
346 University LLC	Office Building	\$ 9,737,100	9	0.5%	-	-	-
Campanelli - Trigate Westwood	Office Building	\$ 9,279,500	10	0.4%	-	-	-
Boston Edison Company	Office Building	-	-	-	\$ 50,360,000	2	2.8%
Perry and Walker	Office Building/Financial Services	-	-	-	\$ 40,993,000	4	2.3%
ATC Westwood	Office Building	-	-	-	\$ 31,300,000	5	1.2%
Westwood Glen LP	Residential Community	-	-	-	\$ 25,250,000	6	0.8%
Piravano, John A. Trustee	Warehouse Storage	-	-	-	\$ 12,350,000	7	0.7%
Uniave Two Ltd. Partnership	Office Building/Research & Development	-	-	-	\$ 10,142,000	8	0.6%
Glacier Limited Partnership	Office Building	-	-	-	\$ 9,737,000	9	0.5%
Wells Avenue Senior Holdings LLC	Office Building/Research & Development	-	-	-	\$ 9,448,000	10	0.5%
Totals		<u>\$367,124,150</u>		<u>14.7%</u>	<u>\$320,836,000</u>		<u>14.8%</u>
Source: Town of Westwood, Assessor Department							

Town of Westwood, Massachusetts
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	(2) Total Tax Levy	Less Abatements & Exemptions	(2) Net Tax Levy	First Year Current Tax Collections	Percent of Net Levy Collected	Delinquent Tax Collections	Total Tax Collections	(4) Percent of Total Tax Collections to Net Tax Levy
2004	\$43,112,384	\$304,176	\$42,808,208	\$42,644,456	99.62%	\$73,971	\$42,718,427	99.79%
2005	\$43,092,347	\$398,683	\$42,693,664	\$42,455,987	99.44%	\$13,692	\$42,469,679	99.48%
2006	(1) \$42,197,020	\$492,206	\$41,704,814	\$41,549,899	99.63%	\$207,375	\$41,757,274	100.13%
2007	\$43,967,446	\$535,530	\$43,431,916	\$43,236,824	99.55%	\$353,812	\$43,590,636	100.37%
2008	\$48,519,937	\$1,084,368	\$47,435,569	\$46,745,693	98.55%	\$320,455	\$47,066,148	99.22%
2009	(1) \$50,373,089	\$688,159	\$49,684,930	\$48,566,011	97.75%	\$192,656	\$48,758,667	98.14%
2010	\$51,832,246	\$523,010	\$51,309,236	\$49,220,471	95.93%	\$367,183	\$49,587,654	96.64%
2011	\$53,571,227	\$1,121,203	\$52,450,024	\$49,535,302	94.44%	\$287,125	\$49,822,427	94.99%
2012	(1) \$56,060,374	\$612,932	\$55,447,442	\$54,002,524	97.39%	\$219,517	\$54,222,041	97.79%
2013	\$57,671,932	\$849,177	\$56,822,755	\$55,653,030	97.94%	\$0	\$55,653,030	97.94%



(1) Revaluation year.

(2) Includes tax liens.

(3) Source: Town of Westwood Collectors Department and Town Records

(4) If the actual abatements and exemptions are lower than the estimate the actual collections can exceed the net levy.

Town of Westwood, Massachusetts

Ratios of Outstanding Debt and General Bonded Debt

Last Ten Fiscal Years

Fiscal Year	Population Estimates	Personal Income	Assessed Value	Governmental Activities Debt				
				General Obligation Bonds	Capital Leases	Per Capita	Percentage of Personal Income	Percentage of Assessed Value
2004	15,165	\$598,643,683	\$2,952,058,658	\$54,670,000	\$ 869,865	\$3,662	9.28%	1.88%
2005	15,229	\$632,810,637	\$3,246,875,955	\$50,255,000	\$ 605,479	\$3,340	8.04%	1.57%
2006	15,418	\$764,022,810	\$3,649,059,247	\$46,090,000	\$ 245,668	\$3,005	6.06%	1.27%
2007	15,485	\$813,383,500	\$3,662,134,150	\$41,925,000	\$ 185,622	\$2,719	5.18%	1.15%
2008	15,648	\$871,262,158	\$3,694,294,449	\$41,590,000	\$ 146,004	\$2,667	4.79%	1.13%
2009	15,680	\$925,426,513	\$3,735,651,152	\$40,575,000	\$ 74,737	\$2,592	4.39%	1.09%
2010	15,715	\$983,141,729	\$3,566,682,921	\$36,280,000	\$ -	\$2,309	3.69%	1.02%
2011	14,618	\$969,383,375	\$3,482,416,355	\$41,290,000	\$ -	\$2,825	4.26%	1.19%
2012	14,618	\$1,027,546,378	\$3,484,183,487	\$35,545,000	\$ -	\$2,432	3.46%	1.02%
2013	14,618	\$1,059,322,606	\$3,488,168,100	\$36,440,000	\$ -	\$2,493	3.44%	1.04%

Fiscal Year	Business-type Activities (1)		Total Primary Government			
	General Obligation Bonds	Capital Leases	Total Debt Outstanding	Per Capita	Percentage of Personal Income	Percentage of Assessed Value
2004	\$4,823,582	\$ -	\$60,363,447	\$3,980	10.08%	2.04%
2005	\$3,854,664	\$ -	\$54,715,143	\$3,593	8.65%	1.69%
2006	\$3,440,498	\$ -	\$49,776,166	\$3,228	6.52%	1.36%
2007	\$3,022,828	\$ -	\$45,133,450	\$2,915	5.55%	1.23%
2008	\$2,600,875	\$ -	\$44,336,879	\$2,833	5.09%	1.20%
2009	\$2,175,125	\$ -	\$42,824,862	\$2,731	4.63%	1.15%
2010	\$1,865,287	\$ -	\$38,145,287	\$2,427	3.88%	1.07%
2011	\$1,550,600	\$ -	\$42,840,600	\$2,931	4.42%	1.23%
2012	\$1,443,200	\$ -	\$36,988,200	\$2,530	3.60%	1.06%
2013	\$1,310,440	\$ -	\$37,750,440	\$2,582	3.56%	1.08%

(1) Sewer Fund
Source: Audited Financial Statements, U. S. Census

Town of Westwood, Massachusetts

Direct and Overlapping Governmental Activities Debt

As of June 30, 2013

<u>Town of Westwood, Massachusetts</u>	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Norfolk County.....\$	12,860,000	3.16%	\$ 406,119
Town direct debt.....			36,440,000
Total direct and overlapping debt.....			\$ 36,846,119

Source: Town of Westwood, Finance Department and related organizations.

Note: Overlapping governments are those that coincide, at least in part, with geographic boundaries of the Town. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the taxpayers of Town. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the property taxpayers should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Town of Westwood, Massachusetts

Computation of Legal Debt Margin

Last Ten Fiscal Years

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Equalized Valuation.....	\$ 3,415,448,600	\$ 3,415,448,600	\$ 3,834,008,100	\$ 3,834,008,100	\$ 3,906,162,100	\$ 3,906,162,100	\$ 3,845,002,400	\$ 3,845,002,400	\$ 3,702,302,900	\$ 3,702,302,900
Debt Limit -5% of Equalized Valuation.....	\$ 170,772,430	\$ 170,772,430	\$ 191,700,405	\$ 191,700,405	\$ 195,308,105	\$ 195,308,105	\$ 192,250,120	\$ 192,250,120	\$ 185,115,145	\$ 185,115,145
Less:										
Outstanding debt applicable to limit.....	\$ 59,493,582	\$ 54,109,664	\$ 49,530,498	\$ 44,947,828	\$ 44,190,875	\$ 42,750,125	\$ 38,145,287	\$ 42,840,600	\$ 36,988,200	\$ 37,750,440
Authorized and unissued debt.....	\$ 5,833,340	\$ 7,023,340	\$ 3,445,000	\$ 3,865,000	\$ 4,535,000	\$ 1,150,000	\$ 9,450,000	\$ 910,000	\$ 6,245,000	\$ 2,970,000
Legal debt margin.....	\$ 105,445,508	\$ 109,639,426	\$ 138,724,907	\$ 142,887,577	\$ 146,582,230	\$ 151,407,980	\$ 144,654,833	\$ 148,499,520	\$ 141,881,945	\$ 144,394,705
Total debt applicable to the limit as a percentage of debt limit.....	38.25%	35.80%	27.63%	25.46%	24.95%	22.48%	24.76%	22.76%	23.35%	22.00%

Source: Town of Westwood, Finance Department

Town of Westwood, Massachusetts

Demographic and Economic Statistics

Last Ten Fiscal Years

Fiscal Year	Population Estimates	Personal Income	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2004	15,165	\$ 668,819,563	\$ 44,103	41.0	2,830	2.1%
2005	15,229	\$ 711,940,673	\$ 46,749	41.0	2,867	3.3%
2006	15,418	\$ 764,022,810	\$ 49,554	41.0	2,915	2.7%
2007	15,485	\$ 813,383,500	\$ 52,527	41.0	3,023	3.0%
2008	15,648	\$ 871,262,158	\$ 55,679	41.0	3,008	2.7%
2009	15,680	\$ 925,426,513	\$ 59,020	41.0	3,012	5.7%
2010	15,715	\$ 983,141,729	\$ 62,561	41.0	3,184	6.1%
2011	14,618	\$ 969,383,375	\$ 66,314	41.0	3,180	4.5%
2012	14,618	\$ 1,027,546,378	\$ 70,293	41.0	3,019	4.3%
2013	14,618	\$ 1,059,322,606	\$ 72,467	41.0	3,206	4.1%

Source: U. S. Census, Division of Local Services
 Median age is based on most recent census data
 MA Department of Elementary and Secondary Education
 School and Town Clerk Departments, Town of Westwood
 MA Office of Workforce Development

Town of Westwood, Massachusetts
Principal Employers (excluding Town)
Current Year and Nine Years Ago

Employer	Nature of Business	2013			2004		
		Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Nstar	Power Company	1,115	1	17%	1,100	1	16%
State Street Bank	Financial Services	700	2	11%	750	2	11%
Meditech, Inc.	Medical Information	435	3	7%	450	3	7%
New York Life Insurance	Life Insurance	325	4	5%			
Roche Brothers	Supermarkets	280	5	4%	390	4	6%
Turnbine, Inc.	Video Games	250	6	4%			
ADE Corporation	Measurement Technology	200	7	3%	300	7	4%
MIB	Medical Information	176	8	3%	200	9	3%
Northrop Grumman	Military Electronics	150	9	2%			
Clair Motors	Car Dealer	111	10	2%			
LTX Corporation	Test Equipment for Computer Components	-		-	350	5	5%
RCN	Communications	-		-	300	6	4%
General Motors Corp	Auto Parts Distribution	-		-	200	8	3%
Quebecor	Print Production	-		-	130	10	2%
Total		<u>3,742</u>		<u>57%</u>	<u>4,170</u>		<u>62%</u>

Source: Massachusetts Workplace Development

Town of Westwood, Massachusetts
Full-time Equivalent Town Employees by Function
Last Ten Fiscal Years

	Fiscal Year									
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Function										
General government.....	18	20	20	21	21	22	22	22	22	22
Public Safety.....	68	68	66	69	69	70	70	70	72	72
Education.....	379	396	431	488	493	513	512	476	479	496
Public works.....	28	28	28	28	29	29	29	29	29	30
Human services.....	6	6	6	6	6	6	6	6	9	9
Culture and recreation.....	9	9	9	9	9	10	10	10	13	13
Total	<u>508</u>	<u>527</u>	<u>560</u>	<u>621</u>	<u>627</u>	<u>650</u>	<u>649</u>	<u>613</u>	<u>624</u>	<u>642</u>

Source: Town Records

Town of Westwood, Massachusetts
Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Government										
Population.....	14,885	15,196	15,418	15,485	15,648	15,680	15,584	14,618	14,618	14,618
Registered Voters, Annual Town Election.....	9,032	8,999	9,323	9,353	9,584	10,040	10,182	9,450	9,926	10,553
Town Clerk										
Births.....	176	152	135	158	143	117	113	94	111	105
Marriages.....	49	41	53	44	36	42	36	47	73	56
Deaths.....	153	141	146	145	145	156	163	154	142	162
Dogs licensed.....	997	1,109	1,000	1,138	1,098	1,239	1,213	1,331	1,382	1,387
Police										
Documented calls for police services.....	15,408	15,858	15,300	15,993	16,234	12,819	14,464	12,913	12,800	14,089
Uniform crimes reported.....	210	262	214	238	263	237	254	259	191	235
Arrests.....	147	NA	126	155	153	90	76	89	86	127
Traffic citations issued.....	1,804	NA	1,666	2,042	2,583	1,816	2,191	988	1,130	1,666
Parking tickets issued.....	343	356	82	129	74	4	46	14	54	42
False burglary alarms.....	1,261	1,245	1,135	1,091	846	829	788	843	912	769
Total number of animal complaints.....	888	861	621	572	458	467	938	372	415	478
Fire										
Inspections.....	840	852	839	939	840	716	701	736	779	839
Plan reviews.....	111	125	96	105	106	75	69	81	77	106
Permits/certificates issued.....	563	547	408	418	242	362	330	405	524	566
Emergency responses.....	2,658	2,793	2,798	2,680	2,767	3,015	2,841	3,039	3,064	2,837
Building Department										
Permits issued.....	1,764	1,782	1,784	1,992	1,899	1,897	1,601	1,821	1,823	1,935
Education										
Public school enrollment.....	2,573	2,720	2,867	3,023	3,008	3,024	3,079	3,178	3,213	3,209
Public Works										
Cemetery										
Lots sold.....	26	47	60	36	51	32	54	32	43	70
interments.....	52	68	68	62	66	72	76	69	72	51
Recycling/tons.....	1,840	1,807	1,764	1,656	1,595	1,501	1,329	1,324	1,297	1,439
Hazardous Waste Day Participants.....	360	479	513	336	344	276	292	343	250	187
Human Services										
Board of Health										
Permits issued.....	348	359	343	354	375	324	317	356	326	376
Inspections.....	475	427	426	505	422	431	321	300	288	284
Council on Aging										
Home delivered meals served.....	15,040	14,625	15,898	19,603	19,576	19,878	19,988	19,638	19,404	19,528
Medical-van trips.....	2,832	2,945	2,347	4,182	7,561	6,088	8,422	6,876	7,025	7,132
Libraries										
Volumes in collection.....	112,017	119,325	109,304	111,646	120,148	115,214	111,114	115,131	115,131	128,680
Circulation.....	235,300	247,321	243,811	235,964	242,464	265,772	288,241	280,422	277,941	192,958
Program attendance.....	12,500	14,907	12,274	11,217	11,136	11,522	10,824	10,058	8,791	5,776
Youth & Family Services										
Misc resident clinical consultation hours.....	1,268	1,320	1,500	683	822	726	677	889	987	1,003
Recreation										
Participants.....	7,105	6,832	6,950	7,967	7,327	7,877	8,327	8,013	7,264	8,248
Special Events Participants.....	-	-	-	-	-	-	-	-	4,850	5,750

NA: Information not available
Note: 2013 information not available
Source: Various Town Departments

Town of Westwood, Massachusetts
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Government										
Number of Buildings.....	3	3	3	3	3	3	3	3	3	3
Police										
Number of Stations.....	1	1	1	1	1	1	1	1	1	1
Fire										
Number of Stations.....	2	2	2	2	2	2	2	2	2	2
Education										
Number of elementary schools.....	5	5	5	5	5	5	5	5	5	5
Number of middle schools.....	1	1	1	1	1	1	1	1	1	1
Number of high schools.....	1	1	1	1	1	1	1	1	1	1
Human Services										
Senior Center Facility.....	1	1	1	1	1	1	1	1	1	1
Culture and Recreation										
Libraries.....	2	2	2	2	2	2	2	2	2	2
Conservation land (acreage).....	N/A	N/A	N/A	700	700	700	700	700	700	700

Source: Various Town Departments

How Does Westwood Compare with Other Communities?

In determining the list of communities with which to compare Westwood, three factors were considered: location, population, and per capita equalized valuation (EQV).

Location - Communities within a 30 mile radius of Westwood were considered.

Population - Towns with a population significantly smaller than Westwood probably do not have similar service demands; one larger in population will have increased service delivery demands.

Per Capita Equalized Valuation (EQV) - This factor measures the relative "wealth" of a community by dividing property valuations by population. Per capita valuation is directly related to the amount of revenue that a community can raise via the property tax. It offers some comparison of a community's "ability to pay."

Source: MA Department of Revenue

Municipality	Miles from Westwood	2010 Population	2013 EQV Per Capita	2013 Income Per Capita
Canton	8	21,561	\$203,433	\$43,709
Concord	24	17,668	\$314,836	\$88,072
Holliston	14	13,547	\$160,495	\$42,892
Medfield	6	12,024	\$202,634	\$64,433
Sharon	9	17,612	\$169,594	\$51,095
Sudbury	21	17,659	\$241,012	\$79,004
Wayland	17	12,994	\$253,042	\$89,710
Weston	15	11,261	\$514,825	\$211,789
Westwood		14,618	\$263,032	\$72,467

Fiscal Year 2013				
Municipality	Residential Tax Rate	Commercial Tax Rate	Tax Levy	Taxes As % of Total Revenue
Canton	12.30	24.99	\$60,155,267	67.91
Concord	14.07	14.07	\$71,123,429	79.77
Holliston	18.62	18.62	\$37,858,724	64.56
Medfield	15.73	15.73	\$35,459,410	68.40
Sharon	20.45	20.45	\$54,141,915	72.55
Sudbury	17.99	23.52	\$71,026,410	78.53
Wayland	17.89	17.89	\$52,016,190	69.96
Weston	12.40	12.40	\$64,423,334	73.71
Westwood	14.89	27.28	\$57,671,932	78.69

Municipality	Fiscal Year 2013			Fiscal Year 2012	2013
	Average Single Family Tax Bill	2013 State Hi-Lo Rank	7-1-12 Free Cash	Stabilization Fund	Moody's Bond Rating*
Canton	\$5,729	73	\$3,234,349	\$3,463,814	Aa1 (2011)
Concord	\$11,802	7	\$9,357,662	\$2,709,196	Aaa
Holliston	\$7,090	47	\$1,819,966	\$1,049,045	Aa2
Medfield	\$8,859	22	\$2,269,154	\$2,965,328	Aa1
Sharon	\$8,583	24	\$1,522,531	\$378	Aa2
Sudbury	\$11,205	8	\$2,388,556	\$1,956,224	Aa1 (2011)
Wayland	\$10,529	10	\$6,023,697	\$1,531,570	Aaa
Weston	\$16,921	1	\$3,853,659	\$0	Aaa
Westwood	\$9,287	17	\$2,547,593	\$1,219,595	Aa1

Some Facts About Westwood

Form of Government	Board of Selectmen, Executive Secretary, Open Town Meeting			
Population Trends	2000		2010	
	14,117		14,618	
Registered Voters (2012)	Total	Democrats	Republicans	Unenrolled/Other
	10,553	2,749	1,653	6,151

Westwood Schools

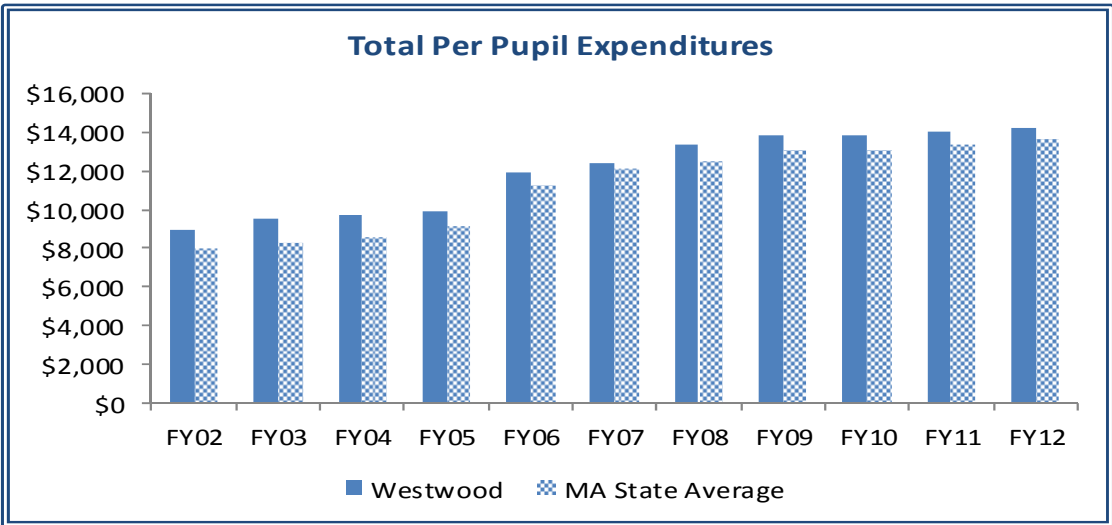
In April, 2005 the new high school and recreational sports fields were opened for students. The new school features beautiful classroom facilities, a state of the art media center, and a new performing arts facility.

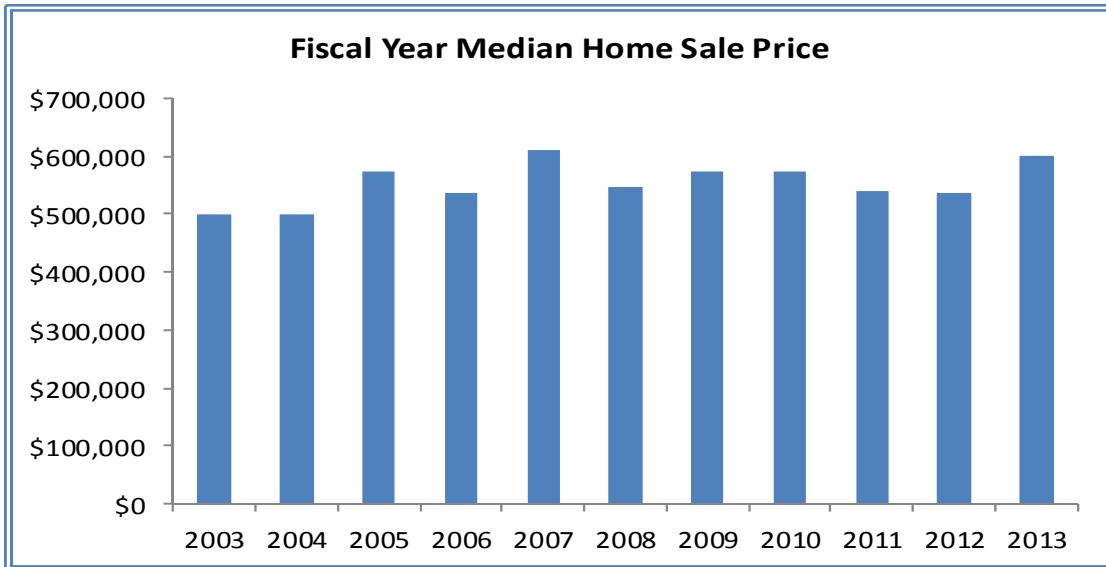


2012 National Blue Ribbon School of Excellence



Westwood High School was named a 2012 National blue Ribbon High School by U. S. Secretary of Education Arne Duncan on September 7, 2012. The school is one of just 38 high schools nationwide to be identified as “Exemplary High Performing,” a designation reserved for schools that are among their state’s highest performing schools.





Visit Westwood's Web Site!
<http://www.townhall.westwood.ma.us/>

Important Links...

- About Westwood
- Address & Phone Directory
- Community Resources Links
- Employment Opportunities
- Forms, Documents, Minutes
- How Do I?
- New Residents
- News and Announcements
- Photo Gallery
- Traffic Updates
- Upcoming Events

Sources: MA Department of Revenue
 MA Department of Education
 U. S. Census
 Town Clerk – Town of Westwood
 Board of Assessors – Town of Westwood